United Nations A/59/84–E/2004/53

General Assembly
Economic and Social Council

Distr.: General
23 April 2004

Original: English

General Assembly
Fifty-ninth session
Item 93 (b) of the preliminary list*
Operational activities for development: triennial comprehensive policy review of operational activities for development of the United Nations system

Economic and Social Council
Substantive session of 2004
New York, 28 June-23 July 2004
Item 3 (a) of the provisional agenda**
Operational activities of the United Nations for international development cooperation: follow-up to policy recommendations of the General Assembly and the Council

Comprehensive statistical data on operational activities for development for 2002

Report of the Secretary-General

Summary

The present report is submitted in compliance with General Assembly resolution 35/81 of 5 December 1980. It complements the report of the Secretary-General on progress in the implementation of General Assembly resolution 56/201 (A/59/85-E/2004/68) and provides detailed statistical data on resources channelled through the organizations of the United Nations system for 2002.

* A/59/50 and corrigendum.
** E/2004/100.

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I. Introduction

1. The present document has been prepared in accordance with the requirements contained in paragraph 17 of General Assembly resolution 35/81 of 5 December 1980.

2. It is divided into three parts:

(a) Contributions from Governments and other sources to operational activities of the United Nations system (tables A-1 to A-6);

(b) Expenditures on operational activities of the United Nations system (tables B-1 to B-6);

(c) Procurement activities of the United Nations development system (table C-1).

Each part consists of a number of tables that may facilitate a study of the subject from different angles and perspectives. Table B-6 covers expenditures on operational activities of the United Nations system in the least developed countries.

3. The main sources of the statistical tables are the financial statements of the United Nations funds and programmes, including the World Food Programme (WFP), the International Fund for Agricultural Development (IFAD) and previous statistical addenda to reports on operational activities of the United Nations system.

4. Tables A-1, A-5, A-6 and B-1 cover information for 1998-2002; table B-6 covers information for 2000-2002; all other tables deal with 2002 data only.

5. Data on the World Bank Group are not included in the present report; such data may be found in relevant World Bank publications.

II. Note on statistical information

General note

6. Coverage, definition and sources for the figures used in the present report are consistent with those for previous years' reports in this series. Modifications have been made to data presentation, column headings and table titles in the interest of greater clarity and internal consistency. Explanations of special cases or of instances in which table totals do not match are given in the footnotes to tables.

Definitions and explanations

7. Data are derived from the financial statements of the United Nations funds and programmes; see also footnotes to tables A-1 and B-1.

8. Data on contributions refer to actual contributions received in a given calendar year from Governments and other sources by organizations in the United Nations system, and the net profits from the United Nations Children's Fund (UNICEF) greeting card operation. Data on other income related to resource transfers from one agency of the system to another are excluded.

9. Data on expenditures and disbursements represent the support provided by organizations to the programmes and projects of developing countries; administrative, programme and other support costs, where identifiable, are excluded.

10. UNICEF and WFP carry out both development assistance and some activities which are of a humanitarian or emergency character. Because of the difficulty of separate identifications, the related contributions and expenditures are all grouped under development assistance.

11. The expression "United Nations funds and programmes" refers to the funds and programmes listed by the General Assembly for participation in the annual United Nations Pledging Conference for Development Activities, to the resources for operational activities of the organizational entities of the United Nations (see table B-4) and to other United Nations trust funds pertaining to development activities.

12. The designations employed and the presentation of the material in the present report do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

13. The term "country" as used in the present report also refers, as appropriate, to territories or areas.

14. References to dollars ($) are to United States dollars unless otherwise stated. A full stop is used to indicate decimals. Two dots (..) indicate that data are not available or are not separately reported. A minus sign (-) indicates a deficit or decrease, except as otherwise indicated. A dash (–) indicates that the amount is nil or negligible or that the item is not applicable. A hyphen (-) between dates representing years signifies the full period involved, including the beginning and end years.

15. Details and percentages in tables do not necessarily add to totals because of rounding.

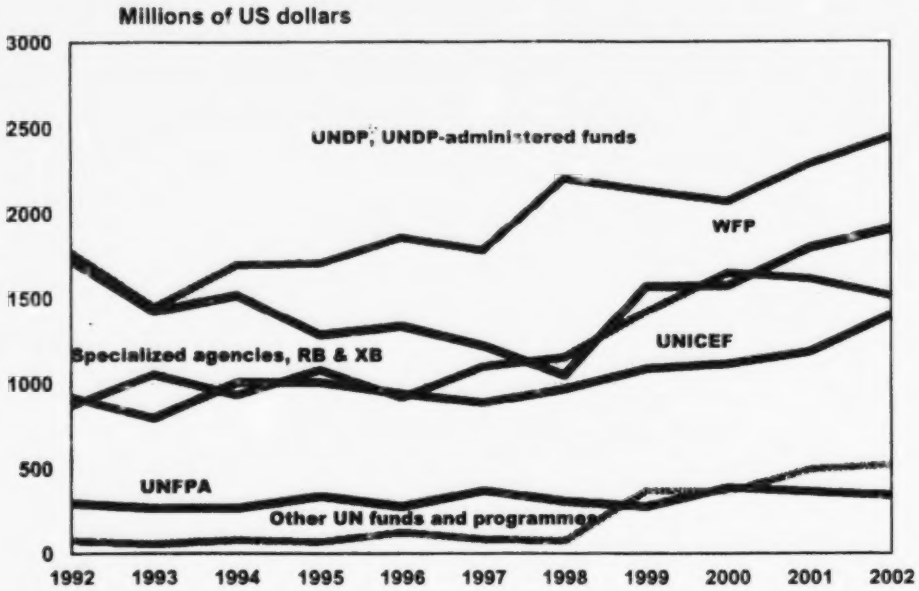
16. The following abbreviations have been used:

AsDB	Asian Development Bank
CEB	United Nations System Chief Executives Board for Coordination
CIS	Commonwealth of Independent States
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
GCO	Greeting card operations (UNICEF)
IAEA	International Atomic Energy Agency

ICAO	International Civil Aviation Organization
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMF	International Monetary Fund
IMO	International Maritime Organization
ITC	International Trade Centre UNCTAD/GATT
ITU	International Telecommunication Union
NEX	National execution
RB	Regular budget
UNCDF	United Nations Capital Development Fund
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNCTAD	United Nations Conference on Trade and Development
UNDCP	United Nations International Drug Control Programme
UN/DESA	United Nations/Department for Economic and Social Affairs
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNITAR	United Nations Institute for Training and Research
UNON	United Nations Office at Nairobi
UNOPS	United Nations Office for Project Services
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNV	United Nations Volunteers programme
UPU	Universal Postal Union
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization
WTO	World Tourism Organization
XB	Extrabudgetary

17. Explanations for additional terms and definitions are given in the footnotes to tables A-1 and B-1.

Contributions from Governments and other sources for operational activities of the United Nations system: overview, 1992-2002



Contributions from Governments and other sources for operational activities of the United Nations, 2002

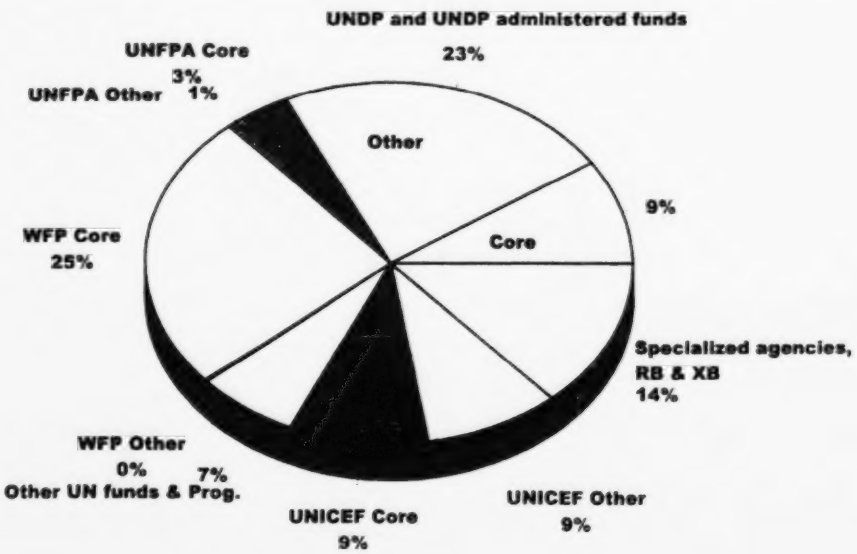


Table A-1. Contributions from Governments and other sources for operational activities of the United Nations system: overview, 1998-2002 (Millions of current US dollars)

	1998	1999	2000	2001	2002
CONTRIBUTIONS TO UNITED NATIONS FUNDS AND PROGRAMMES					
1. Contributions to UNDP					
a) CORE	757.0	681.3	634.1	651.7	663.1
b) OTHER RES. a/	1 347.6	1 393.0	1 375.7	1 569.2	1 706.9
Subtotal	2 104.6	2 074.3	2 009.8	2 220.9	2 370.0
2. Contributions to UNDP administered funds and trust funds b/					
a) CORE	85.9	47.6	45.6	50.3	46.8
b) OTHER RES. a/	10.5	11.8	13.5	15.0	24.5
Subtotal	96.4	59.4	59.1	65.3	71.3
Total (1-2)	**2 201.0**	**2 133.7**	**2 068.9**	**2 286.2**	**2 441.3**
3. Contributions to UNFPA c/					
a) CORE	268.9	244.1	256.4	260.2	246.5
b) OTHER RES. a/	36.5	30.2	130.6	103.6	92.4
Subtotal	305.4	274.3	387.0	363.8	338.9
4. Contributions to UNICEF d/					
a) CORE	577.6	585.9	596.7	541.4	697.2
b) OTHER RES. a/	388.4	500.2	515.6	638.9	702.0
Subtotal	966.0	1 086.1	1 112.3	1 180.3	1 399.2
5. Contributions to other United Nations funds and programmes e/	72.7	369.5	364.1	495.9	521.1
6. Contributions to WFP f/					
a) CORE	327.6	1 512.6	1 532.1	1 755.9	1 894.8
b) OTHER RES. a/	719.7	54.2	39.2	38.1	11.7
Subtotal	1 047.3	1 566.8	1 571.3	1 794.0	1 906.5
Total (1-6)	**4 592.4**	**5 430.4**	**5 503.6**	**6 120.2**	**6 607.0**
CONTRIBUTIONS FOR OPERATIONAL ACTIVITIES OF SPECIALIZED AGENCIES					
7. Assessed contributions to regular budgets g/	297.3	444.0	469.6	424.0	479.3
8. Extrabudgetary contributions	852.7	975.8	1 178.3	1 189.3	1 032.1
Total (7-8)	**1 150.0**	**1 419.8**	**1 647.9**	**1 613.3**	**1 511.4**
Grand total	**5 742.4**	**6 850.2**	**7 151.5**	**7 733.5**	**8 118.4**

Table A-1. (continued)

	1998	1999	2000	2001	2002
CONTRIBUTIONS TO IFAD					
9. Contributions to IFAD	89.6	122.8	127.1	41.8	19.6
MEMO ITEMS					
EXPLANATORY ITEMS					
UNICEF Greeting Cards	182.0	202.9	163.3	161.0	125.9
Government "self-supporting" contributions to organizations and agencies	72.6	218.5	196.5	262.2	201.1

SOURCE: Financial statements of United Nations funds and programmes and of WFP; IFAD.

a/ Includes cost-sharing and government cash counterpart contributions.

b/ Includes the Capital Development Fund, the Special Fund for Land-Locked Developing Countries, the Revolving Fund for Natural Resources Exploration, the Special United Nations Volunteer Fund, the United Nations Fund for Science and Technology for Development, the United Nations Development Fund for Women and the Trust Fund for Sudano-Sahelian Activities; and other funds, accounts and trust funds of UNDP including trust funds established by the Administrator, and contributions for the Junior Professional Officers programme. Includes cost-sharing contributions to these funds.

c/ Includes contributions to trust funds and "special population programmes" of UNFPA.

d/ Includes net profit from sale of greeting cards, which resources are then used in operational activities.

e/ Constitutes regular budget and extrabudgetary contributions, including government self-supporting contributions, in relation to the United Nations, and its regional commissions, UNCHS, UNCTAD and UNDCP. See also the annual UNDP document on United Nations system regular and extrabudgetary technical cooperat financed from sources other than UNDP.

f/ Includes contributions to the International Emergency Food Reserve and extrabudgetary contributions.

g/ I.e., the imputed share of regular budget financing of technical co-operation expenditures in relation to the distribution of assessments among Member States.

Table A-2. Contributions for operational activities of the United Nations system, by donor, 2002
(Thousands of US dollars)

	UNDP		UNDP Admin. Funds		UNFPA		UNICEF		WFP		TOTAL UN funds
	Core (1)	Other Res. (2)	CORE (3)	Other Res. (4)	CORE (5)	Other Res. (6)	CORE (7)	Other Res. (8)	CORE (9)	Other Res. (10)	(1-10) (11)
Member States											
Afghanistan	0	0	0	0	0	0	0	0	0	0	**0**
Albania	0	107	0	0	0	0	0	0	0	0	**107**
Algeria	0	0	4	0	10	0	20	500	10	0	**544**
Andorra	13	0	12	0	8	0	192	145	27	0	**397**
Angola	0	838	0	0	1	0	0	0	0	0	**839**
Antigua and Barbuda	0	0	0	0	0	0	0	0	0	0	**0**
Argentina	0	39 917	0	0	0	0	105	1 053	0	0	**41 075**
Armenia	0	12	0	0	0	0	0	0	0	0	**12**
Australia	3 672	11 185	194	44	1 205	55	3 246	13 071	53 110	1 467	**87 249**
Austria	4 130	1 218	347	0	446	262	3 000	550	2 599	0	**12 552**
Azerbaijan	0	1 401	0	0	0	0	0	0	0	0	**1 401**
Bahamas	6	10	0	0	2	0	1	0	0	0	**19**
Bahrain	0	1 354	0	0	5	0	0	0	0	0	**1 359**
Bangladesh	568	0	11	0	50	0	34	157	0	0	**820**
Barbados	10	10	0	2	3	0	46	0	0	0	**71**
Belarus	0	100	0	0	0	0	0	0	0	0	**100**
Belgium	10 687	6 254	609	2 889	4 022	2 587	6 754	6 241	7 093	287	**47 423**
Belize	0	25	0	0	0	0	50	0	0	0	**75**
Benin	0	158	0	0	0	0	0	0	0	0	**158**
Bhutan	14	0	3	0	12	0	13	0	0	0	**42**
Bolivia	0	16 129	0	0	0	0	35	250	0	0	**16 414**
Bosnia and Herzegovina	0	135	0	0	0	0	0	0	0	0	**135**
Botswana	0	3 326	0	0	10	0	0	0	0	0	**3 336**
Brazil	0	197 836	0	287	0	505	1 633	5 927	0	0	**206 188**
Brunei Darussalam	0	0	0	0	0	0	0	272	0	0	**272**
Bulgaria	0	13 463	0	0	0	0	44	0	0	0	**13 507**
Burkina Faso	0	0	0	0	0	0	1	0	0	0	**1**
Burundi	0	179	0	0	0	0	1	0	0	0	**180**
Cambodia	0	213	0	0	1	0	5	0	0	0	**219**

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Table A-2. (continued)

(Thousands of US dollars)

	UNDP		UNDP Admin. Funds		UNFPA		UNICEF		WFP		TOTAL UN funds
	Core (1)	Other Res. (2)	CORE (3)	Other Res. (4)	CORE (5)	Other Res. (6)	CORE (7)	Other Res. (8)	CORE (9)	Other Res. (10)	(1-10) (11)
Member States											
Cameroon	0	0	0	0	10	0	15	0	0	0	**25**
Canada	27 673	16 484	986	216	8 255	14 830	13 657	49 958	39 328	0	**171 387**
Cape Verde	0	0	0	0	0	0	1	0	0	0	**1**
Central African Rep.	0	0	0	0	6	0	2	6	0	0	**14**
Chad	0	335	0	0	0	0	0	1	0	0	**336**
Chile	764	23 717	0	0	0	0	202	225	0	0	**24 908**
China	3 100	28 666	60	0	820	0	1 396	211	2 216	0	**36 469**
Colombia	- 347	153 809	0	0	1	0	836	666	1	0	**154 966**
Comoros	0	0	0	0	0	0	0	0	0	0	**0**
Congo	0	0	0	0	0	0	0	0	0	0	**0**
Costa Rica	0	3 220	0	0	0	0	8	6	0	0	**3 234**
Côte d'Ivoire	0	0	0	0	0	0	8	0	0	0	**8**
Croatia	0	132	0	0	1	0	191	2	0	0	**326**
Cuba	0	21	0	0	5	0	5	0	592	0	**623**
Cyprus	5	83	6	0	0	0	421	0	0	0	**515**
Czech Republic	249	398	57	0	82	0	381	18	52	0	**1 237**
Dem. People's Rep. of Korea	0	2	0	0	12	0	1	0	0	0	**15**
Dem. Rep. of the Congo	0	0	0	0	0	0	0	500	0	0	**500**
Denmark	47 894	14 109	4 544	- 902	22 672	1 896	25 568	8 805	45 718	0	**170 304**
Djibouti	0	0	0	0	0	0	0	0	3 544	39	**3 583**
Dominica	0	0	0	0	0	0	0	0	0	0	**0**
Dominican Republic	- 10	8 454	0	0	5	0	76	113	0	0	**8 638**
Ecuador	0	34 816	0	0	0	0	265	165	- 17	0	**35 229**
Egypt	0	14 252	0	0	89	88	- 1	0	30	0	**14 458**
El Salvador	0	19 832	0	0	1	0	0	0	0	0	**19 833**
Equatorial Guinea	0	136	0	0	11	0	0	13	0	0	**160**
Eritrea	0	0	0	0	1	0	0	0	0	0	**1**
Estonia	20	0	0	0	2	0	16	0	0	0	**38**
Ethiopia	0	0	0	0	0	0	49	0	0	0	**49**
Fed. States of Micronesia	0	0	0	0	3	0	0	0	0	0	**3**

Table A-2. (continued)

(Thousands of US dollars)

	UNDP		UNDP Admin. Funds		UNFPA		UNICEF		WFP		TOTAL UN funds
	Core (1)	Other Res. (2)	CORE (3)	Other Res. (4)	CORE (5)	Other Res. (6)	CORE (7)	Other Res. (8)	CORE (9)	Other Res. (10)	(1-10) (11)
Member States											
Fiji	1	0	0	0	4	0	2	0	0	0	**7**
Finland	12 917	7 177	671	893	14 236	1 031	13 390	4 390	16 251	0	**70 956**
France	14 902	4 088	1 185	134	1 123	732	83 019	8 600	20 886	1 469	**136 138**
Gabon	0	449	0	0	0	0	0	0	0	0	**449**
Gambia	0	30	0	0	6	0	11	0	0	0	**47**
Georgia	0	724	0	0	0	0	0	1	0	0	**725**
Germany	23 728	30 424	2 782	948	13 680	1 056	39 038	27 835	62 443	30	**201 964**
Ghana	0	0	0	0	0	0	1	2	0	0	**3**
Greece	0	130	8	0	6	0	2 893	401	0	0	**3 438**
Grenada	0	52	0	0	0	0	0	0	0	0	**52**
Guatemala	0	38 742	0	0	0	14 656	0	0	0	0	**53 398**
Guinea	0	60	0	-60	10	0	0	0	0	0	**10**
Guinea-Bissau	0	0	0	0	0	0	1	0	0	0	**1**
Guyana	24	455	0	0	0	0	3	0	0	0	**482**
Haiti	0	309	0	0	5	0	0	0	0	0	**314**
Honduras	0	98 319	0	0	4	0	26	0	910	0	**99 259**
Hungary	0	0	0	0	0	0	214	49	65	0	**328**
Iceland	437	0	0	207	10	0	132	0	42	0	**828**
India	4 547	0	15	0	185	0	643	967	1 183	0	**7 540**
Indonesia	0	2 335	0	0	23	0	274	78	0	0	**2 710**
Iran (Islamic Republic of)	0	359	0	0	24	0	358	0	0	0	**741**
Iraq	0	0	0	0	0	0	0	0	0	0	**0**
Ireland	7 675	5 783	1 216	95	1 590	0	5 885	4 928	10 233	0	**37 405**
Israel	0	0	15	20	25	0	78	0	0	0	**138**
Italy	16 879	38 040	2 931	4 887	3 005	0	44 725	24 373	35 376	0	**170 216**
Jamaica	0	0	0	0	0	0	1	0	0	0	**1**
Japan	86 770	25 121	782	2 404	39 517	1 029	106 818	105 306	83 776	3 558	**455 081**
Jordan	264	824	0	0	48	0	14	0	3	0	**1 153**
Kazakhstan	0	0	0	0	5	0	0	0	0	0	**5**
Kenya	0	0	0	0	10	23	90	0	14 284	0	**14 407**

Table A-2. (continued)

(Thousands of US dollars)

	UNDP		UNDP Admin. Funds		UNFPA		UNICEF		WFP		TOTAL UN funds
	Core (1)	Other Res. (2)	CORE (3)	Other Res. (4)	CORE (5)	Other Res. (6)	CORE (7)	Other Res. (8)	CORE (9)	Other Res. (10)	(1-10) (11)
Member States											
Kinbati	0	0	0	0	0	0	0	0	0	0	0
Kuwait	0	500	0	0	10	0	0	450	0	0	960
Kyrgyzstan	0	0	0	0	0	0	0	0	0	0	0
Lao People's Dem. Republic	0	0	0	0	4	0	5	0	0	0	9
Latvia	0	159	0	0	0	0	10	24	0	0	193
Lebanon	0	2 783	0	0	2	414	5	- 3	0	0	3 201
Lesotho	0	263	0	0	0	0	1	0	0	0	264
Liberia	0	0	0	0	0	0	0	0	0	0	0
Libyan Arab Jamahiriya	0	4 794	0	0	0	0	0	0	0	0	4 794
Liechtenstein	9	0	6	10	6	0	6	68	0	0	105
Lithuania	0	96	0	0	0	0	14	13	0	0	123
Luxembourg	845	3 414	607	2 736	535	802	1 256	2 379	1 698	0	14 272
Madagascar	3	0	0	0	0	0	5	0	0	0	8
Malawi	0	329	0	0	0	0	0	0	0	0	329
Malaysia	587	969	0	0	15	0	84	0	100	0	1 755
Maldives	7	20	2	0	3	0	8	0	0	0	40
Mali	0	951	0	0	9	0	0	0	0	0	960
Malta	0	0	0	0	1	0	5	0	0	0	6
Marshall Islands	0	0	0	0	2	0	0	0	0	0	2
Mauritania	0	200	0	0	0	0	0	0	0	0	200
Mauritius	0	0	0	0	7	0	0	9	0	0	16
Mexico	316	8 114	10	0	51	2 913	1 122	426	0	0	12 952
Monaco	0	176	0	0	0	0	21	118	0	0	315
Mongolia	9	0	0	0	4	0	11	0	0	0	24
Morocco	0	604	2	0	11	93	396	146	2	0	1 254
Mozambique	0	- 200	0	0	0	0	0	0	0	0	- 200
Myanmar	0	0	0	0	0	0	3	0	0	0	3
Namibia	0	679	0	0	3	0	0	1	0	0	683
Nauru	0	0	0	0	0	0	0	0	0	0	0
Nepal	0	- 7	0	0	0	0	0	0	100	0	93

Table A-2. (continued)
(Thousands of US dollars)

	UNDP		UNDP Admin. Funds		UNFPA		UNICEF		WFP		TOTAL UN funds
	Core (1)	Other Res. (2)	CORE (3)	Other Res. (4)	CORE (5)	Other Res. (6)	CORE (7)	Other Res. (8)	CORE (9)	Other Res. (10)	(1-10) (11)
Member States											
Netherlands	70 131	58 321	9 768	2 973	52 340	1 136	57 818	60 408	58 417	0	**371 312**
New Zealand	2 606	1 299	373	5	951	248	913	2 012	754	0	**9 161**
Nicaragua	0	3 321	0	0	0	0	5	125	0	0	**3 451**
Niger	0	416	0	0	10	0	0	0	0	0	**426**
Nigeria	0	817	0	0	0	0	299	18	0	0	**1 134**
Norway	79 266	58 846	5 663	1 773	25 136	0	40 086	43 354	39 730	0	**293 854**
Oman	0	0	0	0	0	0	0	132	0	0	**132**
Pakistan	446	- 2	0	0	513	0	95	0	0	0	**1 052**
Palau	0	0	0	0	2	0	1	0	0	0	**3**
Panama	254	122 043	6	0	5	0	71	32	1	0	**122 412**
Papua New Guinea	0	- 318	0	0	4	0	0	0	0	0	**- 314**
Paraguay	0	15 132	0	0	0	104	13	9	0	0	**15 258**
Peru	0	73 900	0	0	0	2 444	290	22	7	0	**76 663**
Philippines	0	131	0	0	49	0	284	490	0	0	**954**
Poland	0	266	0	0	0	0	153	284	577	0	**1 280**
Portugal	3 196	762	0	0	40	0	4 491	123	40	0	**8 652**
Qatar	0	0	0	140	30	0	0	0	0	0	**170**
Rep of Korea	0	503	28	0	0	0	4 983	765	15 140	0	**21 419**
Rep of Moldova	0	84	0	0	0	0	0	0	0	0	**84**
Romania	25	2	0	0	0	0	10	0	0	0	**37**
Russian Federation	0	4 056	0	0	150	0	500	43	0	0	**4 749**
Rwanda	0	0	0	0	2	0	0	0	0	0	**2**
Samoa	12	0	1	0	5	0	1	0	0	0	**19**
San Marino	0	0	0	0	0	0	10	15	0	0	**25**
Sao Tome and Principe	0	0	0	0	2	0	0	0	0	0	**2**
Saudi Arabia	2 000	8 578	0	0	300	200	177	247	7 775	0	**19 277**
Senegal	0	200	0	0	0	0	158	0	0	0	**358**
Serbia & Montenegro	0	0	0	0	0	0	255	0	0	0	**255**
Seychelles	0	0	0	0	2	0	0	0	0	0	**2**
Sierra Leone	0	0	0	0	10	0	0	0	0	0	**10**

Table A-2. (continued)
(Thousands of US dollars)

	UNDP		UNDP Admin. Funds		UNFPA		UNICEF		WFP		TOTAL UN funds
	Core (1)	Other Res. (2)	CORE (3)	Other Res. (4)	CORE (5)	Other Res. (6)	CORE (7)	Other Res. (8)	CORE (9)	Other Res. (10)	(1-10) (11)
Non-member States or Areas											
Singapore	300	0	40	12	0	0	133	35	0	0	**520**
Slovak Republic	0	0	0	0	0	0	136	17	263	0	**416**
Slovenia	0	353	0	0	2	0	962	180	36	0	**1 533**
Solomon Islands	0	0	0	0	0	0	0	0	0	0	**0**
Somalia	0	2 807	0	0	0	0	0	0	0	0	**2 807**
South Africa	0	0	4	0	19	65	17	51	43	0	**199**
Spain	5 957	3 193	56	0	552	0	14 449	8 385	2 587	0	**35 279**
Sri Lanka	0	0	0	0	18	0	16	214	108	0	**356**
St. Kitts and Nevis	0	63	0	0	1	0	0	0	0	0	**64**
St. Lucia	0	10	0	0	0	0	0	0	0	0	**10**
St. Vincent and the Grenadines	0	10	0	0	0	0	0	0	0	0	**10**
Sudan	0	90	0	0	0	0	0	24	0	0	**114**
Suriname	0	357	0	0	1	0	0	346	0	0	**704**
Swaziland	0	253	0	0	0	0	1	0	0	0	**254**
Sweden	53 687	27 050	6 940	219	17 899	467	32 015	44 866	27 696	0	**210 839**
Switzerland	33 333	10 557	884	201	8 333	1 729	19 665	7 949	22 159	0	**104 810**
Syrian Arab Republic	11	114	0	0	3	387	0	55	0	0	**570**
Tajikistan	0	0	0	0	0	0	0	0	0	0	**0**
Thailand	0	8	12	0	96	0	376	2 001	20	0	**2 513**
The FYR of Macedonia	0	0	0	0	0	0	0	0	0	0	**0**
Timor-Leste	0	0	0	0	0	0	0	0	0	0	**0**
Togo	0	- 118	0	0	0	0	0	0	0	0	**- 118**
Tonga	0	0	0	0	1	0	0	0	0	0	**1**
Trinidad and Tobago	0	112	0	0	5	0	2	0	0	0	**119**
Tunisia	97	148	0	0	23	38	152	0	0	0	**458**
Turkey	0	4 200	5	0	108	0	442	32	0	0	**4 787**
Turkmenistan	2	76	0	0	3	0	0	0	0	0	**81**
Tuvalu	0	0	0	0	4	0	0	0	0	0	**4**
Uganda	45	- 32	0	0	10	0	0	0	0	0	**23**
Ukraine	0	993	0	0	0	0	15	0	0	0	**1 008**

Table A-2. (continued)

(Thousands of US dollars)

	UNDP		UNDP Admin. Funds		UNFPA		UNICEF		WFP		TOTAL UN funds
	Core (1)	Other Res. (2)	CORE (3)	Other Res. (4)	CORE (5)	Other Res. (6)	CORE (7)	Other Res. (8)	CORE (9)	Other Res. (10)	(1-10) (11)
Member S											
United Arab Emirates	322	1 129	0	0	0	0	100	0	0	0	**1 551**
United Kingdom	56 302	65 815	4 451	2 058	26 636	7 879	30 731	62 907	94 938	1 784	**353 501**
United Rep. of Tanzania	0	5	0	0	6	0	0	0	0	0	**11**
United States	86 666	43 386	1 494	1 357	0	7 496	129 500	153 928	1074 941	0	**1 498 768**
Uruguay	0	13 845	0	0	0	0	66	122	0	0	**14 033**
Uzbekistan	0	5 332	0	0	0	0	0	0	0	0	**5 332**
Vanuatu	0	0	0	0	0	0	0	0	0	0	**0**
Venezuela	0	25 153	0	0	0	0	111	222	0	0	**25 486**
Viet Nam	29	0	0	0	0	0	0	3	0	0	**32**
Yemen	40	205	7	0	10	0	0	0	0	0	**262**
Zambia	0	0	0	0	7	0	0	0	0	0	**7**
Zimbabwe	0	0	0	0	22	0	1	6	0	0	**29**
Total Member States	**663 095**	**1 443 072**	**46 797**	**23 548**	**245 240**	**65 165**	**698 348**	**658 838**	**1 746 987**	**8 634**	**5 599 724**
Non-member States or areas											
Anguilla	0	0	0	0	0	0	0	0	0	0	**0**
Aruba	0	61	0	0	0	0	0	0	0	0	**61**
Bermuda	0	0	0	0	0	0	0	0	0	0	**0**
British Virgin Islands	0	0	0	0	0	0	2	0	0	0	**2**
Cayman Islands	0	10	0	0	0	0	20	0	0	0	**30**
Cook Islands	0	25	0	0	1	0	0	0	0	0	**26**
French Guiana	0	0	0	0	0	0	0	0	0	0	**0**
French Polynesia	0	0	0	0	0	0	0	0	0	0	**0**
Guadeloupe	0	0	0	0	0	0	0	0	0	0	**0**
Guam	0	0	0	0	0	0	0	0	0	0	**0**
Holy See	0	0	0	0	0	0	0	0	0	0	**0**
Hong Kong, China	0	38	0	0	0	0	4 519	2 233	0	0	**6 790**
Macau, China	0	0	0	0	0	0	0	0	0	0	**0**

Table A-2. Contributions for operational activities of the United Nations system, by donor, 2002
(Thousands of US dollars)

	UNDP		UNDP Admin. Funds		UNFPA		UNICEF		WFP		TOTAL UN funds
	Core (1)	Other Res. (2)	CORE (3)	Other Res. (4)	CORE (5)	Other Res. (6)	CORE (7)	Other Res. (8)	CORE (9)	Other Res. (10)	(1-10) (11)
Non-member States or areas											
Martinique	0	0	0	0	0	0	0	0	0	0	**0**
Montserrat	0	10	0	0	0	0	0	0	0	0	**10**
Netherlands Antilles	0	1 926	0	0	0	0	0	0	0	0	**1 926**
Niue	0	0	0	0	0	0	0	0	0	0	**0**
Reunion	0	0	0	0	0	0	0	0	0	0	**0**
St. Helena	0	0	0	0	0	0	0	0	0	0	**0**
Tokelau	0	0	0	0	0	0	0	0	0	0	**0**
Turks and Caicos Islands	0	181	0	0	0	0	0	0	0	0	**181**
Other	0	0	0	0	6	0	0	0	0	0	**6**
Total non-members	**0**	**2 251**	**0**	**0**	**7**	**0**	**4 541**	**2 233**	**0**	**0**	**9 032**
Total countries	**663 095**	**1 445 323**	**46 797**	**23 548**	**245 247**	**65 165**	**702 889**	**661 071**	**1746 987**	**8 634**	**5 608 756**
European Union	0	64 375	0	290	0	4 527	0	32 548	107 870	3 774	**213 384**
Intergovt.	0	168 849	0	30	0	3 652	0	4 603	345	0	**177 479**
Non-govt.	0	11 657	0	381	0	18 937	1 000	11 324	4 525	92	**47 916**
GCO cost operations	0	0	0	0	0	0	-66 852	0	0	0	**-66 852**
Total, intergovt/ non-govt org.	**0**	**244 881**	**0**	**701**	**0**	**27 116**	**-65 852**	**48 475**	**112 740**	**3 866**	**371 927**
Not elsewhere classified	0	16 795	24	241	1 293	69	60 113	-7 513	35 131	- 813	**547 562**
Subtotal	**663 095**	**1 706 999**	**46 821**	**24 490**	**246 540**	**92 350**	**697 150**	**702 033**	**1 894 858**	**11 687**	**6 528 245**

Table A-3. Contributions for operational activities of the United Nations system, by donor, 2002 (Thousands of US dollars)

	Total UN funds A-2 (col.11) (1)	XB contrib. to spec. agencies (2)	Total (1-2) (3)	Memo ite.1 IFAD (4)	Govern. self support. (5)
Member States					
Afghanistan	0	135	135	0	- 150
Albania	107	3	110	0	0
Algeria	544	95	639	0	88
Andorra	397	0	397	0	0
Angola	839	28	867	100	183
Antigua and Barbuda	0	0	0	0	0
Argentina	41 075	964	42 039	0	917
Armenia	12	0	12	0	0
Australia	87 249	5 282	92 531	0	20
Austria	12 552	4 128	16 680	0	84
Azerbaijan	1 401	0	1 401	0	0
Bahamas	19	0	19	0	0
Bahrain	1 359	827	2 186	0	0
Bangladesh	820	184	1 004	0	129
Barbados	71	1	72	0	463
Belarus	100	3	103	0	0
Belgium	47 423	18 660	66 083	0	220
Belize	75	0	75	0	0
Benin	158	72	230	0	72
Bhutan	42	82	124	0	61
Bolivia	16 414	1 449	17 863	0	7
Bosnia and Herzegovina	135	0	135	0	0
Botswana	3 336	- 5	3 331	75	114
Brazil	206 188	135 913	342 101	0	130 453
Brunei Darussalam	272	10	282	0	14
Bulgaria	13 507	18	13 525	0	0
Burkina Faso	1	85	86	46	74
Burundi	180	0	180	0	0
Cambodia	219	133	352	0	125
Cameroon	25	204	229	0	201
Canada	171 387	30 379	201 766	0	0
Cape Verde	1	404	405	0	404
Central African Rep.	14	0	14	0	0
Chad	336	72	408	0	72
Chile	24 908	464	25 372	80	277
China	36 469	2 387	38 856	0	1 140
Colombia	154 966	1 013	155 979	0	992
Comoros	0	36	36	0	36
Congo	0	0	0	0	0
Costa Rica	3 234	106	3 340	0	57
Côte d'Ivoire	8	343	351	0	341
Croatia	326	21	347	0	20
Cuba	623	142	765	0	98
Cyprus	515	61	576	0	0
Czech Republic	1 237	568	1 805	0	156
Dem. People's Rep. of Korea	15	587	602	0	142
Dem. Rep. of the Congo	500	79	579	0	78
Denmark	170 304	28 681	198 985	0	33
Djibouti	3 583	32	3 615	0	116
Dominica	0	0	0	0	0
Dominican Republic	8 638	120	8 758	0	16

Table A-3 (continued)
(Thousands of US dollars)

	Total UN funds A-2 (col.11) (1)	XB contrib. to spec. agencies (2)	Total (1-2) (3)	Memo Item IFAD (4)	Memo Item Govern. self support. (5)
Member States					
Ecuador	35 229	430	**35 659**	0	428
Egypt	14 458	29	**14 487**	0	20
El Salvador	19 833	51	**19 884**	0	16
Equatorial Guinea	160	49	**209**	0	49
Eritrea	1	29	**30**	5	29
Estonia	38	0	**38**	0	159
Ethiopia	49	- 12	**37**	0	- 13
Fed. States of Micronesia	3	0	**3**	0	0
Fiji	7	44	**51**	0	111
Finland	70 956	5 911	**76 867**	1 752	1 156
France	136 138	10 774	**146 912**	0	140
Gabon	449	0	**449**	0	584
Gambia	47	71	**118**	0	71
Georgia	725	0	**725**	0	0
Germany	201 964	18 642	**220 606**	0	155
Ghana	3	162	**165**	0	160
Greece	3 438	1 652	**5 090**	0	791
Grenada	52	0	**52**	0	0
Guatemala	53 398	733	**54 131**	260	446
Guinea	10	387	**397**	15	387
Guinea-Bissau	1	0	**1**	0	0
Guyana	482	156	**638**	0	156
Haiti	314	68	**382**	0	68
Honduras	99 259	750	**100 009**	50	779
Hungary	328	298	**626**	0	40
Iceland	828	15	**843**	0	0
India	7 540	3 548	**11 088**	4 000	2 127
Indonesia	2 710	22	**2 732**	3 500	0
Iran (Islamic Republic of)	741	832	**1 573**	0	832
Iraq	0	0	**0**	0	0
Ireland	37 405	3 118	**40 523**	342	272
Israel	138	36	**174**	0	0
Italy	170 216	75 387	**245 603**	0	1 813
Jamaica	1	0	**1**	0	0
Japan	455 081	37 149	**492 230**	0	3 453
Jordan	1 153	59	**1 212**	0	7
Kazakhstan	5	- 54	**- 49**	0	- 55
Kenya	14 407	6	**14 413**	51	0
Kiribati	0	0	**0**	0	0
Kuwait	960	917	**1 877**	0	80
Kyrgyzstan	0	61	**61**	0	61
Lao People's Dem. Republic	9	84	**93**	0	84
Latvia	193	135	**328**	0	157
Lebanon	3 201	194	**3 395**	0	98
Lesotho	264	111	**375**	9	111
Liberia	0	19	**19**	0	19
Libyan Arab Jamahiriya	4 794	3 801	**8 595**	0	3 711
Liechtenstein	105	1	**106**	0	0
Lithuania	123	1	**124**	0	189
Luxembourg	14 272	6 392	**20 664**	244	118
Madagascar	8	27	**35**	33	26
Malawi	329	172	**501**	0	172
Malaysia	1 755	47	**1 802**	0	0

Table A-3 (continued)
(Thousands of US dollars)

	Total UN funds A-2 (col.11) (1)	XB contrib. to spec. agencies (2)	Total (1-2) (3)	Memo Item IFAD (4)	Memo Item Govern. self support. (5)
Member States					
Maldives	40	1	**41**	0	0
Mali	960	191	**1 151**	0	336
Malta	6	55	**61**	0	54
Marshall Islands	2	0	**2**	0	964
Mauritania	200	679	**879**	0	0
Mauritius	16	53	**69**	0	51
Mexico	12 952	4 800	**17 752**	1 500	2 771
Monaco	315	67	**382**	0	0
Mongolia	24	- 14	**10**	0	- 14
Morocco	1 254	560	**1 814**	0	556
Mozambique	- 200	933	**733**	24	933
Myanmar	3	1	**4**	0	0
Namibia	683	586	**1 269**	0	855
Nauru	0	0	**0**	0	0
Nepal	93	122	**215**	0	371
Netherlands	371 312	82 486	**453 798**	0	245
New Zealand	9 161	901	**10 062**	0	0
Nicaragua	3 451	242	**3 693**	0	241
Niger	426	34	**460**	0	32
Nigeria	1 134	2 673	**3 807**	0	2 712
Norway	293 854	63 852	**357 706**	0	161
Oman	132	1 102	**1 234**	0	693
Pakistan	1 052	1 725	**2 777**	0	1 574
Palau	3	0	**3**	0	0
Panama	122 412	574	**122 986**	8	573
Papua New Guinea	- 314	0	**- 314**	0	0
Paraguay	15 258	- 1	**15 257**	0	0
Peru	76 663	3 911	**80 574**	0	3 907
Philippines	954	1 093	**2 047**	0	1 094
Poland	1 280	675	**1 955**	0	218
Portugal	8 652	1 927	**10 579**	0	30
Qatar	170	327	**497**	0	102
Rep of Korea	21 419	3 607	**25 026**	875	140
Rep of Moldova	84	0	**84**	0	0
Romania	37	18	**55**	25	115
Russian Federation	4 749	633	**5 382**	0	85
Rwanda	2	0	**2**	0	0
Samoa	19	0	**19**	0	0
San Marino	25	0	**25**	0	0
Sao Tome and Principe	2	0	**2**	0	0
Saudi Arabia	19 277	10 894	**30 171**	0	10 019
Senegal	358	110	**468**	59	109
Serbia & Montenegro	255	2	**257**	0	0
Seychelles	2	0	**2**	0	0
Sierra Leone	10	0	**10**	0	0
Singapore	520	342	**862**	0	299
Slovak Republic	416	443	**859**	0	258
Slovenia	1 533	4	**1 537**	0	0
Solomon Islands	0	0	**0**	0	0
Somalia	2 807	- 6	**2 801**	0	- 6
South Africa	199	35	**234**	0	21
Spain	35 279	9 302	**44 581**	0	485
Sri Lanka	356	126	**482**	0	0

Table A-3 (continued)
(Thousands of US dollars)

	Total UN funds A-2 (col.11) (1)	XB contrib. to spec. agencies (2)	Total (1-2) (3)	Memo Item IFAD (4)	Memo Item Govern. self support. (5)
Member States					
St. Kitts and Nevis	64	0	**64**	0	0
St. Lucia	10	4	**14**	0	4
St. Vincent and the Grenadines	10	0	**10**	0	0
Sudan	114	24	**138**	0	24
Suriname	704	0	**704**	0	0
Swaziland	254	0	**254**	30	0
Sweden	210 839	27 302	**238 141**	0	291
Switzerland	104 810	19 088	**123 898**	0	85
Syrian Arab Republic	570	3 207	**3 777**	0	3 201
Tajikistan	0	1	**1**	0	0
Thailand	2 513	253	**2 766**	0	174
The FYR of Macedonia	0	4	**4**	0	0
Timor-Leste	0	0	**0**	0	0
Togo	- 118	37	**- 81**	0	237
Tonga	1	0	**1**	0	0
Trinidad and Tobago	119	1 479	**1 598**	0	1 478
Tunisia	458	93	**551**	410	80
Turkey	4 787	1 082	**5 869**	400	1 052
Turkmenistan	81	0	**81**	0	0
Tuvalu	4	0	**4**	0	0
Uganda	23	75	**98**	0	161
Ukraine	1 008	6	**1 014**	0	0
United Arab Emirates	1 551	768	**2 319**	0	430
United Kingdom	353 501	88 198	**441 699**	0	65
United Rep. of Tanzania	11	245	**256**	0	245
United States	1 498 768	102 031	**1600 799**	5 000	0
Uruguay	14 033	261	**14 294**	0	245
Uzbekistan	5 332	0	**5 332**	0	0
Vanuatu	0	39	**39**	0	81
Venezuela	25 486	281	**25 767**	0	250
Viet Nam	32	- 42	**- 10**	200	- 40
Yemen	262	545	**807**	498	544
Zambia	7	596	**603**	0	595
Zimbabwe	29	135	**164**	0	130
Total Member States	**5 599 724**	**846 848**	**6 446 572**	**19 591**	**195 398**
Non-member States or areas					
Anguilla	0	0	**0**	0	0
Aruba	61	0	**61**	0	0
Bermuda	0	0	**0**	0	0
British Virgin Islands	2	0	**2**	0	0
Cayman Islands	30	0	**30**	0	0
Cook Islands	26	0	**26**	0	0
French Guiana	0	0	**0**	0	0
French Polynesia	0	0	**0**	0	0
Guadeloupe	0	0	**0**	0	0
Guam	0	0	**0**	0	0
Holy See	0	0	**0**	0	0
Hong Kong, China	6 790	12	**6 802**	0	0
Macau, China	0	74	**74**	0	74

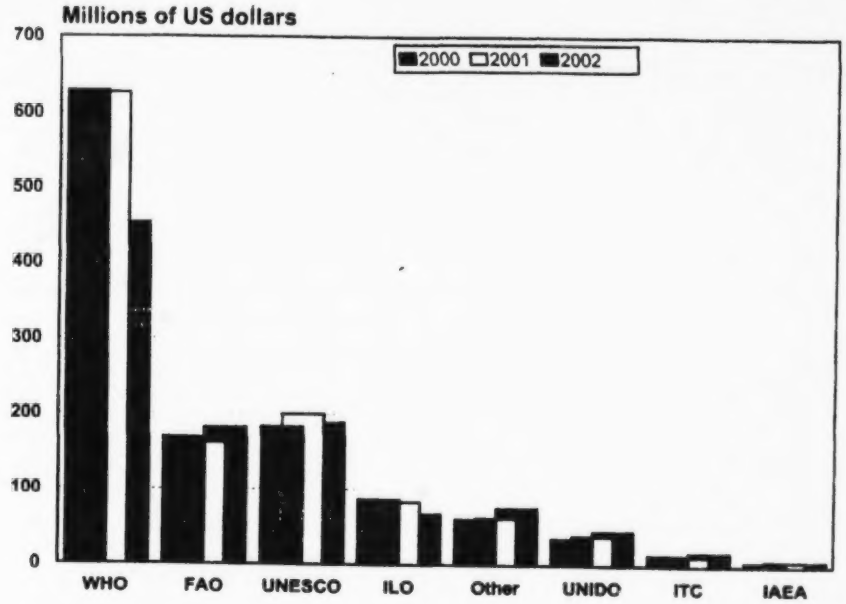
Table A-3 (continued)
(Thousands of US dollars)

	Total UN funds A-2 (col.11) (1)	XB contrib. to spec. agencies (2)	Total (1-2) (3)	Memo Item IFAD (4)	Memo Item Govern. self support. (5)
Non-member States or areas					
Martinique	0	0	0	0	0
Montserrat	10	0	10	0	0
Netherlands Antilles	1 926	0	1 926	0	424
Niue	0	0	0	0	0
Reunion	0	0	0	0	0
St. Helena	0	0	0	0	0
Tokelau	0	0	0	0	0
Turks and Caicos Islands	181	0	181	0	0
Other	6	26 902	26 908	0	5 050
Total non-members	**9 032**	**26 988**	**36 020**	**0**	**5 548**
Total countries	**5 608 756**	**873 836**	**6 482 592**	**19 591**	**200 944**
Assessed contrib. spec. agencies' regular budgets	0	0	479 353	0	0
European Union	213 384	0	213 384	0	0
Intergovt.	177 479	87 781	265 260	0	0
Non-govt.	47 916	64 687	112 603	0	0
GCO cost operations	-66 852	0	-66 852	0	0
					0
Total, intergovt/ non-govt org.	**371 927**	**152 468**	**1 003 748**	**0**	**0**
Not elsewhere classified	547 562	5 796	553 358	0	134
Subtotal	**6 528 245**	**1 032 100**	**8 039 698**	**19 591**	**201 078**

Table A-4. Extrabudgetary contributions for operational activities by specialized and technical agencies, 2002 (Thousands of US dollars)

	WHO	FAO	UNIDO	ILO	UNESCO	ITC	IAEA	Other	Total
Australia	4 784	262	0	0	64	0	9	164	**5 282**
Austria	96	49	2 902	864	34	0	0	97	**4 043**
Belgium	5 500	7 462	284	2 398	2 657	0	8	350	**18 660**
Canada	28 423	590	0	400	97	618	9	242	**30 379**
Denmark	9 118	769	2 485	9 167	671	1 174	0	230	**23 615**
Finland	805	1 016	67	1 588	403	294	5	1 733	**5 911**
France	3 025	1 185	1 439	2 435	663	687	269	1 071	**10 774**
Germany	3 831	1 402	231	7 801	3 667	1 449	80	181	**18 642**
Italy	10 581	21 015	12 472	2 297	27 808	1 137	1	76	**75 387**
Japan	14 899	9 102	4 121	631	6 879	0	323	1 036	**36 991**
Netherlands	32 903	31 318	66	11 199	5 562	1 325	3	110	**82 486**
New Zealand	184	6	1	0	706	0	0	3	**901**
Norway	38 633	10 179	974	8 028	3 627	1 447	0	964	**63 852**
Sweden	12 690	4 465	140	1 944	3 472	1 325	7	3 260	**27 302**
Switzerland	1 955	2 831	5 241	2 260	307	6 357	1	137	**19 088**
United Kingdom	71 616	8 216	2 402	2 148	2 600	172	16	1 026	**88 198**
United States	84 209	10 375	0	2 637	1 652	271	1 572	1 316	**102 031**
Other countries	33 815	33 959	11 108	7 976	112 033	390	3 006	58 006	**260 293**
Total countries	**357 065**	**144 203**	**43 935**	**63 773**	**172 902**	**16 647**	**5 309**	**70 003**	**873 836**
Multilateral non-United Nations system	18 734	31 741	181	2 370	8 217	656	664	2 124	**64 687**
Non-governmental organizations	76 364	20	632	414	6 982	30	500	2 839	**87 781**
Total multilateral and non-governmental organizations	**95 098**	**31 761**	**813**	**2 784**	**15 199**	**686**	**1 164**	**4 963**	**152 468**
Not elsewhere classified	0	5 763	0	0	0	0	0	33	**5 796**
Grand Total	**452 163**	**181 727**	**44 748**	**66 557**	**188 101**	**17 333**	**6 473**	**74 999**	**1 032 100**

Extrabudgetary contributions for operational activities by specialized and technical agencies, 2000, 2001, 2002



Sources of extrabudgetary contributions for operational activities by specialized and technical agencies, 2002

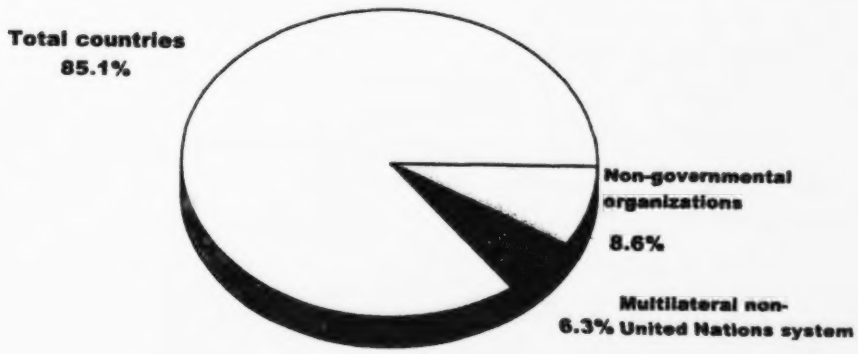


Table A-5. Extrabudgetary contributions for operational activities of specialized and technical agencies: overview by donor, 1998-2002 (Thousands of US dollars)

	1998	1999	2000	2001	2002
Australia	8 702	8 796	13 403	8 549	5 282
Austria	3 353	3 876	2 128	4 165	4 043
Belgium	17 895	15 263	15 623	18 732	18 660
Canada	10 290	7 296	12 458	25 028	30 379
Denmark	34 280	25 677	30 783	28 681	23 615
Finland	7 610	6 812	9 065	5 649	5 911
France	9 433	11 587	11 060	10 531	10 774
Germany	22 888	19 390	10 090	10 111	18 642
Italy	35 401	56 144	76 117	85 908	75 387
Japan	25 461	68 725	67 100	39 267	36 991
Netherlands	82 214	78 844	132 793	144 505	82 486
New Zealand	..	691	199	212	901
Norway	47 783	41763	44 593	50 664	63 852
Sweden	26 782	34 208	30 373	28 204	27 302
Switzerland	15 775	18 939	19 313	16 756	19 088
United Kingdom	41 403	56 786	133 658	82 781	88 198
United States of America	56 208	93 035	99 593	92 068	102 031
Other countries	216 311	199 691	233 604	283 444	260 293
Total Countries	**661 785**	**744 523**	**941 951**	**935 257**	**873 836**
Multilateral non-United Nations system	49 714	38 031	32 858	41 389	64 687
Non-governmental organizations	121 583	162 297	182 868	182 257	87 781
Total inter/non-governmental	**171 297**	**200 328**	**215 726**	**223 646**	**152 468**
Not elsewhere classified	19 593	31 349	20 588	30 388	5 796
Grand total	**852 675**	**975 763**	**1 178 265**	**1 189 291**	**1 032 100**

Extrabudgetary contributions for operational activities of specialized and technical agencies, grand total, 1998-2002

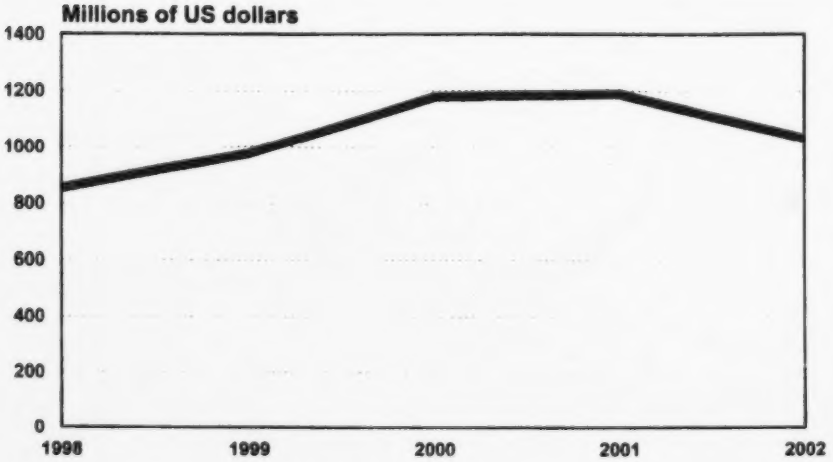
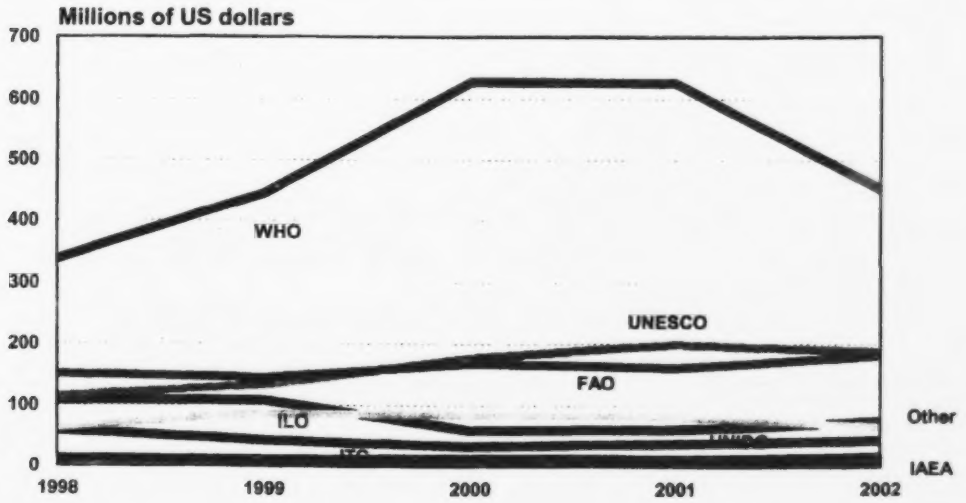


Table A-6. Extrabudgetary contributions for operational activities of specialized and technical agencies: overview by agency, 1998-2002 (Thousands of US dollars)

	1998	1999	2000	2001	2002
WHO	337 432	444 144	627 946	625 736	452 163
FAO	151 460	144 920	168 264	161 360	181 727
UNIDO	58 962	43 639	34 556	38 710	44 748
ILO	64 187	86 480	85 649	82 899	66 557
UNESCO	114 295	133 326	182 666	199 684	188 101
ITC	13 547	11 386	14 214	12 461	17 333
IAEA	5 398	4 254	4 946	6 616	6 473
Other	107 395	107 614	60 025	61 826	74 999
Grand total	**852 676**	**975 763**	**1 178 266**	**1 189 292**	**1 032 100**

Extrabudgetary contributions for operational activities of specialized and technical agencies: overview by agency, 1998-2002



Expenditures on operational activities of the United Nations system

Table B-1. Expenditures on operational activities of the United Nations system: overview, 1998-2002

(Millions of current US dollars)

	1998	1999	2000	2001	2002
DEVELOPMENT GRANTS					
1. Financed by UNDP a/	1 763.6	1 631.8	1 457.9	1 526.2	1 492.9
2. Financed by UNDP-administered funds	367.2	412.3	459.7	500.4	645.1
3. Financed by UNFPA	216.6	187.1	134.1	313.6	312.5
4. Financed by UNICEF	645.0	817.9	885.0	1 011.9	1 043.9
5. Financed by WFP b/	1 237.5	1 429.8	1 491.1	1 744.1	1 592.2
6. Financed by specialized agencies and other organizations from regular budgets c/	297.3	444.0	473.0	424.0	479.3
7. Financed by specialized agencies and other organizations from extrabudgetary sources d/	738.3	1 123.3	1 593.3	1 612.7	1 772.4
Grand total	**5 265.5**	**6 046.2**	**6 494.1**	**7 132.9**	**7 338.3**
CONCESSIONAL LOANS					
8. Disbursements by IFAD	298.7	321.5	283.4	297.0	272.3
MEMO ITEMS					
SUPPLEMENTARY ITEMS					
UNDP management service agreements e/	149.8	176.4	113.7	135.9	149.2
EXPLANATORY ITEMS					
"Self-supporting" expenditures f/	135.3	163.6	589.0	570.8	632.9

Source: See table A-1. For definition of terms, see the note on statistical information.

a/ I.e., UNDP central resources, including expenditures financed from government cost-sharing contributions.

b/ Includes extrabudgetary expenditures and WFP project expenditures for development activities and emergency operations. Of the latter, most were financed from the International Emergency Food Reserve and the remainder from WFP general resources.

c/ The major share of such expenditures is financed by WHO.

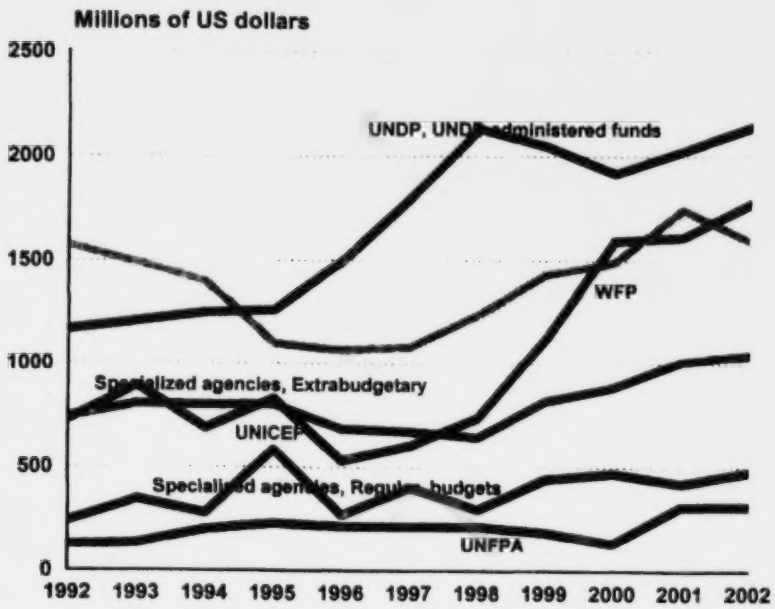
d/ I.e., from funds not elsewhere specified in the table. Starting in 1998 it includes UNEP extrabudgetary expenditures.

Also included are expenditures financed from government "self-supporting" contributions, as noted in memo items.

e/ Represents services engaged by Governments receiving loans and credits from international development banks or resources from bilateral donors. These are management services agreements signed by UNDP and carried out by UNOPS on behalf of UNDP.

f/ The amounts of recipient Governments' own resources spent, which are included above in the figures for line 7 (extrabudgetary) are here separated out for reference.

Expenditures on operational activities of the United Nations system: Overview, 1992-2002



Expenditures on operational activities of the United Nations system: Overview 2002

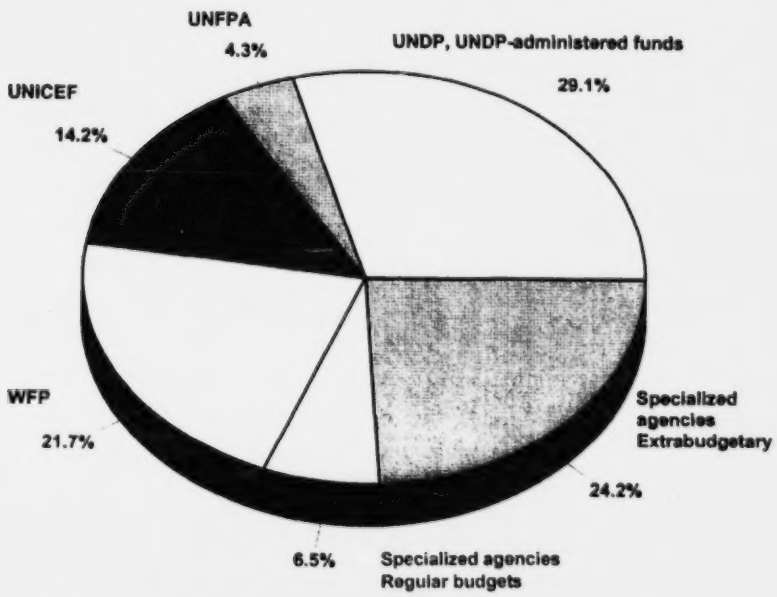


Table B-2. Expenditures on operational activities of the United Nations system, by recipient country or region, 2002 (development grants and loans from IFAD)
(Thousands of US dollars)

	UNDP	UNDP-admin. funds	UNFPA	UNICEF	WFP	Specialized agencies		Total develop. grants	Memo item	
						Regular budgets	Extra Budgetary		IFAD	Self-support. expend.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Recipient Member States										
Afghanistan	24 988	66 691	9 030	94 200	135 141	4 176	20 553	**354 779**	0	4 777
Albania	3 775	1 591	369	3 068	2 378	374	2 148	**13 702**	3 959	1 201
Algeria	1 964	308	1 257	1 283	7 499	1 912	697	**14 920**	0	159
Andorra	0	0	0	0	0	27	0	**27**	0	0
Angola	3 363	3 927	2 439	25 410	108 557	2 712	12 362	**158 770**	978	7 338
Antigua and Barbuda	2	52	0	0	0	123	0	**177**	0	0
Argentina	57 519	1 355	301	1 906	0	877	4 494	**66 452**	0	1 140
Republic of Korea	4 089	1 261	749	1 544	3 794	422	55	**11 914**	1 662	54
Bahamas	24	77	0	0	0	508	0	**609**	0	0
Bahrain	1 309	0	0	0	0	173	288	**1 770**	0	232
Bangladesh	15 862	807	10 329	25 911	36 966	7 084	8 477	**105 437**	9 694	3 870
Barbados	0	84	0	0	0	378	118	**580**	0	118
Belize	176	1 967	66	711	3	713	- 34	**3 601**	41	0
Benin	3 535	876	3 579	5 684	1 666	2 315	833	**18 488**	3 541	383
Bhutan	1 395	1 260	529	1 947	2 800	1 705	279	**9 914**	3 443	152
Bolivia	21 116	2 935	3 204	5 746	5 304	2 019	8 102	**48 427**	762	1 188
Botswana	3 701	1 757	1 276	2 052	0	1 213	387	**10 385**	0	374
Brazil	189 239	7 028	854	7 656	0	3 786	135 114	**343 677**	3 417	127 227
Brunei Darussalam	0	0	0	0	0	11	76	**87**	0	76
Bulgaria	14 061	838	159	0	0	878	576	**16 512**	0	273
Burkina Faso	5 324	2 599	1 945	7 627	3 316	2 479	2 789	**26 080**	3 560	1 814
Burundi	7 229	2 904	1 515	11 641	14 041	2 064	3 601	**42 995**	2 289	576
Cambodia	10 928	12 413	3 595	16 471	19 242	1 661	8 016	**72 325**	3 075	2 637
Cameroon	1 749	664	2 294	6 470	1 776	2 139	722	**15 814**	1 115	629
Cape Verde	420	453	710	1 025	2 311	1 385	654	**6 958**	1 000	440
Central African Republic	3 300	2 864	1 043	2 659	2 797	2 085	263	**15 011**	0	36
Chad	4 193	392	2 690	5 022	4 212	2 933	1 182	**20 624**	800	854
Chile	18 334	1 106	173	811	0	1 237	991	**22 651**	0	353
China	35 028	15 372	4 570	16 104	14 493	5 704	21 074	**112 346**	11 045	3 922

Table B-2 (continued)
(Thousands of US dollars)

	UNDP	UNDP-admin. funds	UNFPA	UNICEF	WFP	Specialized agencies		Total develop. grants	Memo Item	
						Regular budgets	Extra Budgetary		IFAD	Self-support. expend.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Recipient Member States										
Colombia	135 200	976	923	4 703	1 860	1 950	2 768	**148 380**	1 993	1 272
Comoros	775	1 681	626	758	0	1 731	87	**5 658**	834	61
Congo	2 947	1 839	708	3 885	2 390	1 514	1 215	**14 498**	0	520
Costa Rica	4 097	851	352	573	0	829	887	**7 588**	428	171
Côte d'Ivoire	2 729	712	2 043	5 070	4 066	1 594	2 461	**18 676**	2 006	860
Cuba	1 602	4 755	1 000	1 084	2 243	1 601	1 256	**13 540**	0	127
Cyprus	10 673	621	0	0	0	145	198	**11 638**	0	41
Czech Republic	213	359	0	0	0	439	238	**1 249**	0	51
Dem. People's Republic Korea	854	976	1 053	8 760	102 735	2 470	4 554	**121 400**	5 404	1 622
Dem. Republic of the Congo	7 147	267	1 724	42 924	42 189	3 663	18 351	**116 266**	0	12 804
Djibouti	857	150	507	965	5 515	1 233	188	**9 416**	0	117
Dominica	66	58	0	0	0	342	25	**491**	397	0
Dominican Republic	8 568	834	1 081	5 676	897	1 069	956	**19 080**	1 995	535
Ecuador	36 848	2 250	1 463	4 330	2 130	2 387	1 582	**50 990**	4 592	266
Egypt	13 265	1 884	1 099	4 065	4 218	2 687	3 683	**30 901**	5 548	1 814
El Salvador	21 357	2 821	1 048	4 961	2 555	1 038	1 530	**35 310**	6 398	53
Equatorial Guinea	417	6	500	3 119	0	1 120	166	**5 328**	0	65
Eritrea	4 445	7 762	1 955	673	22 205	1 703	2 005	**40 749**	2 850	378
Ethiopia	15 200	1 890	3 802	0	128 016	3 799	14 226	**166 933**	6 518	9 293
Fed. States of Micronesia	113	326	86	2 137	0	118	14	**2 794**	800	0
Fiji	230	149	214	36 914	0	1 161	36	**38 704**	0	25
Gabon	30	126	254	0	311	1 172	576	**2 469**	0	222
Gambia	3 000	333	545	845	1 170	1 937	1 762	**9 591**	1 214	94
Ghana	3 586	1 402	3 380	0	1 092	1 954	3 035	**14 449**	6 845	1 173
Greece	0	0	0	0	0	141	591	**732**	0	591
Grenada	51	330	0	0	0	171	4	**556**	0	4
Guatemala	46 890	5 621	13 455	0	5 702	1 329	4 943	**77 940**	515	433
Guinea	1 604	890	486	3 747	10 986	2 118	1 748	**21 579**	6 037	1 102
Guinea-Bissau	3 349	2 405	696	6 224	2 252	1 838	578	**17 342**	0	30
Guyana	1 298	373	193	2 510	0	453	225	**5 052**	521	166
Haiti	3 833	2 447	3 286	961	5 208	1 332	782	**17 848**	2 763	93

Table B-2 (continued)
(Thousands of US dollars)

	UNDP	UNDP-admin. funds	UNFPA	UNICEF	WFP	Specialized agencies		Total develop. grants	Memo Item	
						Regular budgets	Extra Budgetary		IFAD	Self-support. expend.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Recipient Member States										
Honduras	48 484	5 137	2 026	0	4 164	742	2 896	**63 449**	13 143	832
Hungary	331	289	0	0	0	231	302	**1 153**	0	0
India	25 163	15 088	13 214	0	10 253	10 512	28 855	**103 085**	12 687	22 553
Indonesia	9 787	16 288	6 145	83 163	11 060	7 107	11 175	**144 724**	4 504	7 445
Iran (Islamic Republic of)	1 370	2 346	2 378	18 767	2 722	2 593	4 039	**34 214**	0	926
Iraq	1 094	147 725	364	4 039	31 753	1 132	153 531	**339 638**	0	9 522
Jamaica	358	270	281	0	0	1 477	232	**2 618**	0	70
Jordan	2 324	923	765	0	2 302	1 617	3 081	**11 012**	2 628	266
Kazakhstan	1 251	1 567	609	1 810	0	774	434	**6 444**	0	7
Kenya	5 676	3 009	4 893	8 152	58 308	2 692	3 851	**86 582**	5 404	2 474
Kiribati	72	- 86	65	14 718	0	393	4	**15 166**	0	0
Kuwait	4 062	0	0	0	0	282	15	**4 359**	0	15
Kyrgyzstan	1 772	1 301	626	597	0	461	435	**5 192**	822	341
Lao People's Dem. Republic	3 458	4 400	1 792	1 212	3 490	1 733	2 392	**18 476**	6 029	270
Lebanon	5 948	1 353	594	0	0	1 675	2 224	**11 794**	2 090	537
Lesotho	1 164	1 043	449	1 172	10 362	756	235	**15 180**	508	117
Liberia	983	- 637	527	1 956	10 350	2 603	722	**16 504**	0	714
Libyan Arab Jamahiriya	3 850	1 722	0	3 545	0	461	3 714	**13 291**	0	3 480
Madagascar	6 176	1 868	1 740	0	4 757	1 550	4 913	**21 005**	3 364	3 147
Malawi	4 278	2 649	2 943	7 773	50 948	2 137	1 408	**72 135**	2 258	811
Malaysia	807	3 107	149	16 677	0	995	182	**21 917**	0	4
Maldives	941	281	503	381	0	1 483	- 5	**3 584**	477	- 5
Mali	6 456	4 162	2 227	688	5 556	2 436	1 875	**23 401**	3 874	726
Malta	0	117	0	11 135	0	263	151	**11 666**	0	134
Marshall Islands	67	30	52	0	0	91	4	**244**	0	0
Mauritania	1 270	109	2 031	0	5 806	2 209	1 207	**12 632**	868	934
Mauritius	292	279	157	2 856	0	886	138	**4 607**	809	134
Mexico	6 305	2 651	4 672	463	0	1 905	3 210	**19 207**	3 689	2 670
Mongolia	2 478	1 647	1 986	0	0	3 019	876	**10 006**	709	312
Morocco	3 712	2 093	931	0	1 338	2 042	4 256	**14 372**	5 109	519
Mozambique	20 343	3 817	5 867	2 086	25 491	2 768	8 747	**69 120**	6 841	2 015

Table B-2 (continued)
(Thousands of US dollars)

	UNDP	UNDP-admin. funds	UNFPA	UNICEF	WFP	Specialized agencies		Total develop. grants	Memo Item	
						Regular budgets	Extra Budgetary		IFAD	Self-support. expend.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Recipient Member States										
Myanmar	6 959	0	1 448	0	1 484	4 255	2 129	**16 274**	0	1 466
Namibia	694	317	1 183	14 219	1 271	2 013	1 048	**20 746**	298	828
Nauru	0	0	0	0	0	0	0	**0**	0	0
Nepal	9 042	2 523	3 303	0	12 851	4 618	5 504	**37 841**	905	4 408
Nicaragua	7 002	4 132	2 031	0	5 125	998	2 320	**21 609**	2 071	379
Niger	3 852	2 176	2 866	3 245	4 168	2 928	2 769	**22 005**	2 514	1 270
Nigeria	15 976	3 107	6 402	8 929	0	3 392	21 763	**59 569**	0	19 786
Oman	0	7	36	0	0	766	1 187	**1 995**	0	699
Pakistan	13 854	2 158	4 148	2 645	9 674	3 676	12 745	**48 900**	6 279	10 118
Palau	0	0	0	35 241	0	121	0	**35 362**	0	0
Panama	130 332	598	484	0	0	952	584	**132 950**	1 538	510
Papua New Guinea	3 056	229	775	953	0	1 517	219	**6 749**	446	208
Paraguay	19 209	2 021	617	1 169	0	909	49	**23 974**	1 413	1
Peru	65 330	3 454	6 393	1 255	4 754	2 191	9 059	**92 436**	2 995	7 437
Philippines	5 528	2 239	3 334	5 407	0	1 547	4 160	**22 215**	5 902	1 761
Poland	1 206	950	77	6 363	0	805	333	**9 733**	0	35
Portugal	0	0	0	0	0	30	62	**92**	0	56
Qatar	0	71	0	0	0	32	381	**484**	0	78
Republic of Korea	545	24	0	0	0	1 072	440	**2 081**	0	211
Romania	1 426	217	406	0	0	768	1 157	**3 975**	0	287
Rwanda	2 660	3 817	1 723	- 1	15 028	2 132	1 927	**27 284**	3 763	1 111
Samoa	273	129	31	0	0	1 067	108	**1 609**	0	0
Sao Tome and Principe	295	520	282	0	457	1 092	46	**2 692**	257	27
Saudi Arabia	5 513	5	25	644	0	577	10 440	**17 205**	0	10 313
Senegal	3 712	2 199	2 180	0	3 869	2 241	5 073	**19 273**	3 472	558
Serbia and Montenegro	11 648	5 616	2 009	8 763	13 779	168	10 261	**52 242**	0	1 443
Seychelles	16	23	50	0	0	1 079	27	**1 195**	0	- 1
Sierra Leone	3 030	1 976	1 061	12 958	21 598	2 163	5 134	**47 918**	204	849
Singapore	0	0	0	0	0	91	207	**298**	0	207
Solomon Islands	462	62	77	0	0	515	134	**1 249**	0	130
Somalia	9 875	2 258	618	22 778	8 441	3 255	8 212	**55 438**	0	2 808

Table B-2 (continued)
(Thousands of US dollars)

	UNDP	UNDP-admin. funds	UNFPA	UNICEF	WFP	Specialized agencies		Total develop. grants	Memo Item	
						Regular budgets	Extra Budgetary		IFAD	Self-support. expend.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Recipient Member States										
South Africa	1 938	- 121	1 493	4 272	0	3 179	1 848	**12 609**	0	858
Sri Lanka	3 481	1 565	1 233	7 567	7 764	4 388	2 959	**28 958**	3 743	403
St. Kitts and Nevis	0	66	0	0	0	117	4	**187**	0	4
St. Lucia	54	14	51	0	0	132	0	**251**	91	0
St. Vincent & the Grenadines	16	0	0	0	0	156	0	**172**	0	0
Sudan	2 983	3 080	2 048	19 835	100 045	4 810	12 286	**145 088**	4 216	7 586
Suriname	209	403	159	- 14	0	391	250	**1 398**	0	33
Swaziland	340	500	629	2 647	2 999	1 682	384	**9 181**	1 505	384
Syrian Arab Republic	2 390	1 199	3 969	928	2 068	1 810	5 928	**18 292**	2 886	4 446
Tajikistan	5 958	848	720	3 701	40 107	248	469	**52 052**	0	64
Thailand	794	643	292	3 920	0	4 449	1 687	**11 785**	0	535
The FYR of Macedonia	2 405	319	0	2 753	43	704	3 079	**9 303**	0	631
Timor-Leste	6 280	1 469	1 422	2 330	954	770	1 903	**15 128**	0	723
Togo	1 983	804	1 102	0	0	1 655	387	**5 931**	0	24
Tonga	117	117	83	0	0	708	15	**1 040**	0	0
Trinidad and Tobago	316	417	33	0	0	613	1 455	**2 834**	0	1 363
Tunisia	499	1 167	389	3 227	0	1 116	4 968	**11 365**	3 942	196
Turkey	3 967	766	891	1 297	0	918	965	**8 804**	1 502	214
Turkmenistan	554	241	636	0	0	77	13	**1 521**	0	13
Tuvalu	93	5	101	11 023	0	50	0	**11 270**	0	0
Uganda	4 313	4 858	5 374	0	25 432	3 278	5 100	**48 355**	4 431	2 183
United Arab Emirates	2 509	1	4	0	0	134	375	**3 023**	0	375
United Rep. of Tanzania	7 319	3 457	7 484	0	31 687	3 363	6 268	**59 579**	6 446	2 915
Uruguay	14 437	390	90	5 187	0	1 149	435	**21 689**	659	128
Uzbekistan	6 349	429	571	0	0	352	761	**8 481**	0	159
Vanuatu	68	3	86	1 052	0	847	122	**2 178**	0	28
Venezuela	19 687	709	647	9 069	0	1 544	1 455	**33 110**	2 022	560
Viet Nam	8 224	4 172	2 873	4 504	0	4 086	5 434	**29 292**	9 987	2 352
Yemen	10 776	1 778	2 786	6 716	6 005	2 548	2 634	**33 243**	3 412	1 228
Zambia	3 700	- 20	2 434	12 011	45 375	2 422	5 512	**71 434**	2 607	1 521
Zimbabwe	3 136	3 255	1 045	6 238	89 291	2 503	4 131	**109 599**	1 603	1 815

Table B-2 (continued)
(Thousands of US dollars)

	UNDP	UNDP-admin. funds	UNFPA	UNICEF	WFP	Specialized agencies		Total develop. grants	Memo Item	
						Regular budgets	Extra Budgetary		IFAD	Self-support. expend.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Recipient Member States										
Total recipient Member States	1370 527	474 586	233 342	803 848	1406 968	254 321	727 912	5271 505	264 961	352 493
Recipient non-member States or areas										
Anguilla	29	0	0	0	0	0	0	29	0	0
Aruba	77	0	0	0	0	100	0	177	0	0
Bermuda	0	0	0	0	0	0	0	0	0	0
British Virgin Islands	0	0	0	0	0	0	0	0	0	0
Cayman Islands	31	0	0	0	0	0	0	31	0	0
Cook Islands	42	6	93	0	0	248	0	389	0	0
French Guiana	0	0	0	0	0	15	0	15	0	0
French Polynesia	0	0	0	0	0	10	0	10	0	0
Guadeloupe	0	0	0	0	0	0	0	0	0	0
Guam	0	0	0	0	0	10	0	10	0	0
Hong Kong, China	- 5	0	0	1 986	0	0	0	1 981	0	0
Macau, China	0	0	0	0	0	0	39	39	0	39
Martinique	0	0	0	0	0	0	0	0	0	0
Montserrat	120	87	0	1 649	0	0	0	1 856	0	0
Nauru	0	0	0	0	0	0	0	0	0	0
Nether. Antilles	59	0	0	0	0	31	0	90	0	0
New Caledonia	0	0	0	0	0	0	0	0	0	0
Niue	147	22	0	32 725	0	134	0	33 028	0	0
Reunion	0	0	0	2 239	0	37	0	2 276	0	0
St. Helena	459	0	0	0	0	15	0	474	0	0
Tokelau	94	2	0	0	0	62	0	159	0	0
Turks and Caicos Is.	335	0	0	0	0	44	0	379	0	0

Table B-2 (continued)
(Thousands of US dollars)

	UNDP	UNDP-admin. funds	UNFPA	UNICEF	WFP	Specialized agencies		Total develop. grants	Memo Item	
						Regular budgets	Extra Budgetary		IFAD	Self-support. expend.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total Recipient non-member States or areas	**1 388**	**118**	**93**	**38 598**	**0**	**706**	**39**	**40 942**	**0**	**39**
Total other	**30 215**	**17 221**	**347**	**60 516**	**63 127**	**11 155**	**28 539**	**211 120**	**7 416**	**10 610**
Total all countries	**1 402 131**	**491 926**	**233 782**	**902 962**	**1 470 095**	**266 182**	**756 489**	**5 523 567**	**272 377**	**363 141**
Africa	17 341	20 084	5 249	9 284	19 286	46 898	134 079	**252 221**	0	81 342
Asia and the Pacific	11 852	13 944	8 172	5 170	85 410	25 881	60 082	**210 510**	0	25 427
Europe	3 013	11 089	1 536	3 138	3 149	20 957	41 199	**84 081**	0	22 084
Latin America	11 501	10 128	2 484	1 575	309	28 344	26 417	**80 758**	0	3 906
Arab States	5 306	5 917	928	1 627	40	28 394	404 512	**446 724**	0	21 141
Global	27 170	44 559	0	35 857	0	13 621	228 655	**349 861**	0	111 745
Interregional	8 910	15 234	56 392	0	0	45 227	115 123	**240 887**	0	153
Total inter country	85 093	120 954	74 761	56 651	108 194	209 323	1 010 067	**1 665 043**	0	265 797
Not elsewhere classified	5 710	32 222	3 954	84 299	13 871	3 849	5 817	**149 721**	0	4 040
Grand total	**1 492 934**	**645 103**	**312 497**	**1 043 912**	**1 592 160**	**479 353**	**1 772 373**	**7 338 331**	**272 377**	**632 979**

Table B-3. Expenditures on operational activities of the United Nations system, regional summary, 2002
(Thousands of US dollars)

	UNDP	UNDP-admin. funds	UNFPA	UNICEF	WFP	Specialized Agencies RB&XB	Total Devel. Grants	Memo Items	
								IFAD	Self-Support.
AFRICA									
Country	215 111	91 577	97 198	281 973	893 164	305 715	**1 884 738**	109 428	100 920
Regional	17 341	20 084	5 249	9 284	19 286	180 977	**252 221**	0	81 342
Subtotal	**232 452**	**111 661**	**102 447**	**291 257**	**912 450**	486 692	**2 136 959**	**109 428**	**182 261**
ASIA and the PACIFIC									
Country	212 565	162 277	81 214	456 332	415 531	241 596	**1 569 515**	87 613	73 599
Regional	11 852	13 944	8 172	5 170	85 410	85 964	**210 510**	0	25 427
Subtotal	**224 416**	**176 221**	**89 385**	**461 502**	**500 941**	**327 560**	**1 780 025**	**87 613**	**99 026**
AMERICAS									
Country	858 702	56 414	44 883	61 919	39 945	221 598	**1 283 461**	51 443	147 130
Regional	11 501	10 128	2 484	1 575	309	54 761	**80 758**	0	3 906
Subtotal	**870 203**	**66 542**	**47 367**	**63 495**	**40 253**	**276 360**	**1364 219**	**51 443**	**151 036**
WESTERN ASIA									
Country	61 421	187 742	11 306	21 985	65 432	198 922	**546 808**	17 029	28 155
Regional	5 306	5 917	928	1 627	40	432 906	**446 724**	0	21 141
Subtotal	**66 727**	**193 659**	**12 234**	**23 611**	**65 473**	**631 828**	**993 532**	**17 029**	**49 296**
EUROPE									
Country	57 943	21 602	4 878	98 377	30 339	47 735	**260 874**	6 864	12 532
Regional	3 013	11 089	1 536	3 138	3 149	62 156	**84 081**	0	22 084
Subtotal	**60 956**	**32 691**	**6 414**	**101 515**	**33 488**	**109 891**	**344 955**	**6 864**	**34 615**
Interregional, global, other countries and not elsewhere classified*	38 179	64 330	54 650	102 532	39 555	419 397	**718 641**	0	116 744
Grand Total	**1 492 934**	**645 103**	**312 497**	**1 043 912**	**1 592 160**	**2 251 726**	**7 338 332**	**272 377**	**632 979**

* Including CIS states

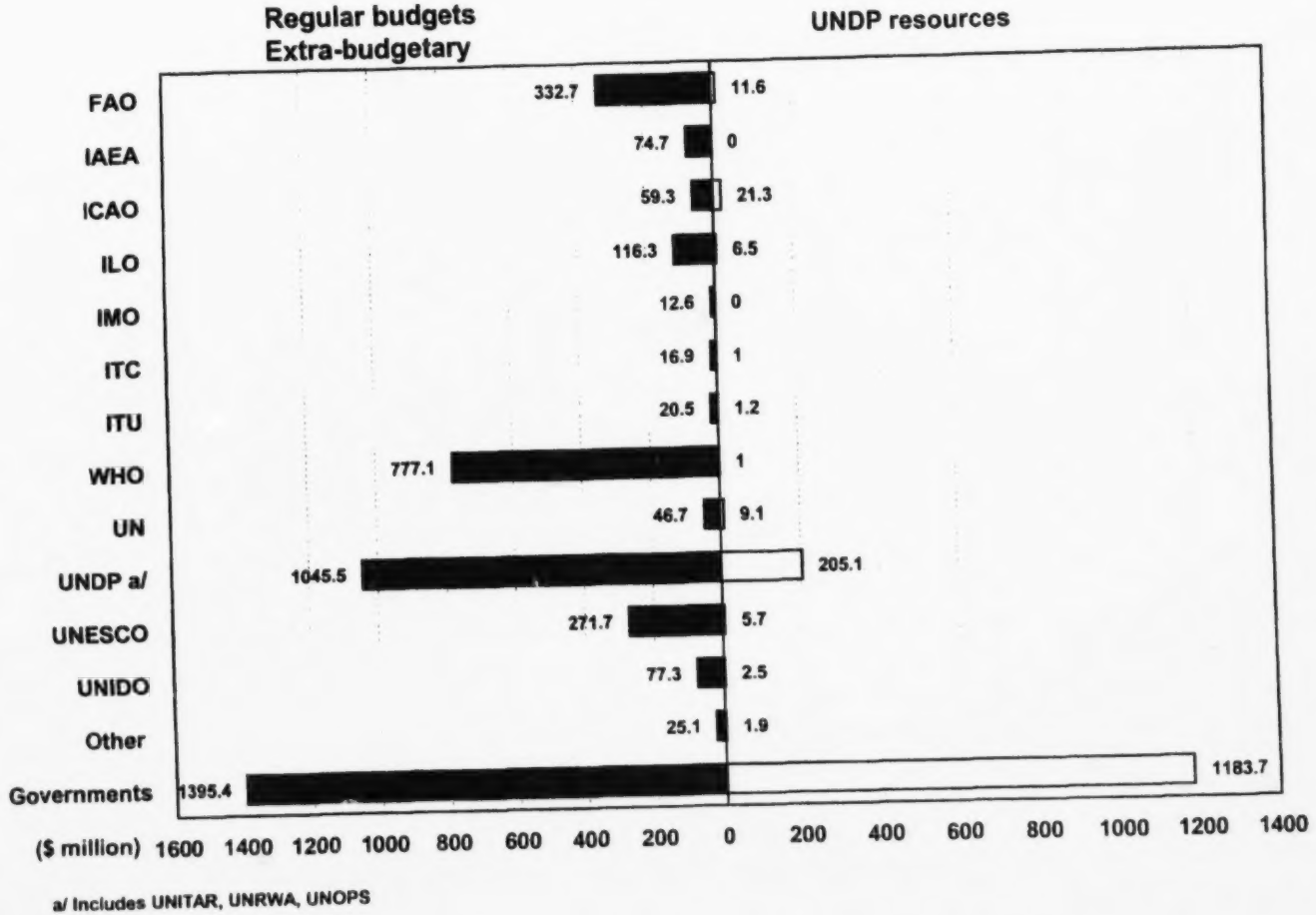
Table B-4. Expenditures on grant-financed development by organization or agency of the United Nations system and other entities, 2002
(Thousands of US dollars)

	Total	UNDP	UNDP Admin. funds	UNFPA	UNICEF	WFP	Regular Budget	Extra budgetary
UN/DESA	**46 733**	9 146	3 388	1 468	0	0	4 574	28 157
ECA	**11 715**	437	0	183	0	0	3 512	7 583
ECE	**8 223**	274	0	128	0	0	1 450	6 372
ECLAC	**10 356**	553	0	410	0	0	2 341	7 053
ESCAP	**11 817**	1 146	0	377	0	0	0	10 294
ESCWA	**2 299**	110	0	56	0	0	1 472	661
UNCHS	**29 494**	8 828	1 308	0	0	0	0	19 359
UNCTAD	**16 358**	1 470	0	0	0	0	963	13 925
UNEP	**45 570**	0	0	0	0	0	3 131	42 439
Subtotal	**182 566**	**21 964**	**4 696**	**2 621**	**0**	**0**	**17 443**	**135 842**
FAO	**332 792**	11 603	1 920	728	0	0	41 860	276 682
IAEA	**74 747**	0	0	0	0	0	67 559	7 188
ICAO	**59 369**	21 331	120	0	0	0	0	37 918
ILO	**116 306**	6 580	2 559	114	0	0	9 846	97 207
IMF	**5 289**	5 289	0	0	0	0	0	0
IMO	**12 661**	127	1 857	0	0	0	5 295	5 383
ITC	**16 972**	677	861	0	0	0	0	15 435
ITU	**20 578**	1 248	0	0	0	0	8 696	10 634
WHO	**777 047**	538	0	5 439	0	0	273 602	497 468
WIPO	**35 491**	28	0	0	0	0	31 277	4 187
WMO	**16 502**	2 344	402	0	0	0	0	13 756
WTO	**3 653**	870	0	0	0	0	1 711	1 072
WORLD BANK	**2 494**	- 79	2 574	0	0	0	0	0
WFP	**1 592 160**	0	0	0	0	1 592 160	0	0
UNDP a/	**1 045 509**	205 051	445 875	2 378	0	0	13 351	378 854
UNESCO	**271 733**	5 715	0	295	0	0	8 208	257 515
UNFPA	**184 740**	0	0	184 740	0	0	0	0
UNICEF	**1 044 490**	0	0	578	1 043 912	0	0	0
UNIDO	**77 311**	2 541	1 838	0	0	0	2 351	70 581
UPU	**6 402**	26	0	0	0	0	1 285	5 091
Other b/	**25 184**	1 945	23 238	0	0	0	0	0
Government	**1 395 404**	1 183 796	135 124	76 483	0	0	0	0
Not elsewhere classified	**84 500**	21 343	24 037	39 119	0	0	0	0
Total	**7 380 770**	**1 492 934**	**645 102**	**312 497**	**1 043 912**	**1 592 160**	**479 353**	**1 814 812**

a/ Includes UNITAR, UNRWA, UNOPS

b/ Includes ASDB

Expenditures on grant-financed development activities by organization or agency of the United Nations system and other entities and UNDP share in it, 2002 (Thousands of US dollars)



a/ Includes UNITAR, UNRWA, UNOPS

Table B-5. Expenditures on grant-financed development activities of the United Nations system, by sector, 2002
(Thousands of US dollars)

CEB Programme Classification Categories	% of total	Total	UNDP	UNDP Admin. funds	UNFPA	UNICEF	WFP	RB	XB
01 Political affairs	1.0	**82 929**	35 833	40 204	0	0	0	1 059	5 833
02 General development issues	14.0	**989 244**	642 148	76 416	0	211 364	0	13 114	46 202
03 General statistics	0.5	**35 325**	5 449	1 611	0	25 254	0	1 081	1 931
04 Natural resources	2.2	**175 286**	55 631	28 827	0	0	72 588	4 908	13 332
05 Energy	2.2	**174 771**	19 367	146 203	0	0	0	5 828	3 373
06 Agriculture, forestry and fisheries	6.5	**481 726**	62 070	12 613	0	0	70 881	52 929	283 233
07 Industry	0.5	**38 938**	23 327	2 939	0	0	0	3 264	9 408
08 Transport	2.0	**153 102**	53 017	5 466	0	0	40 734	5 651	48 235
09 Communications and information	1.6	**109 821**	29 358	3 191	0	28 560	0	11 276	37 435
10 Trade and development	0.9	**62 438**	19 343	5 428	0	0	0	3 585	34 083
11 Population	4.0	**315 943**	1 373	11	312 497	0	0	196	1 866
12 Human settlements	1.6	**113 957**	32 949	4 896	0	2 934	51 277	0	21 901
13 Health	21.0	**1 533 949**	109 862	6 389	0	426 516	195 161	293 780	502 240
14 Education	8.0	**541 712**	68 364	2 419	0	141 646	193 263	5 669	130 351
15 Employment	1.3	**98 377**	49 291	14 896	0	0	0	4 976	29 214
16 Humanitarian assistance	21.0	**1 486 213**	40 316	32 180	0	50 284	968 256	13 997	381 180
17 Social development	5.0	**433 984**	132 521	117 710	0	86 780	0	3 075	93 898
18 Culture	0.5	**36 862**	4 440	2 283	0	0	0	4 154	25 985
19 Science and technology	1.5	**109 683**	9 889	10 735	0	0	0	41 699	47 360
20 Environment	4.0	**311 024**	82 140	95 637	0	70 572	0	8 994	53 681
21 Unspecified	0.7	**53 048**	16 246	35 047	0	0	0	119	1 636
Total	**100.0**	**7 338 331**	**1 492 934**	**645 102**	**312 497**	**1 043 912**	**1 592 160**	**479 353**	**1 772 373**

Expenditures on grant-financed development activities of the United Nations system, by sector, 2002

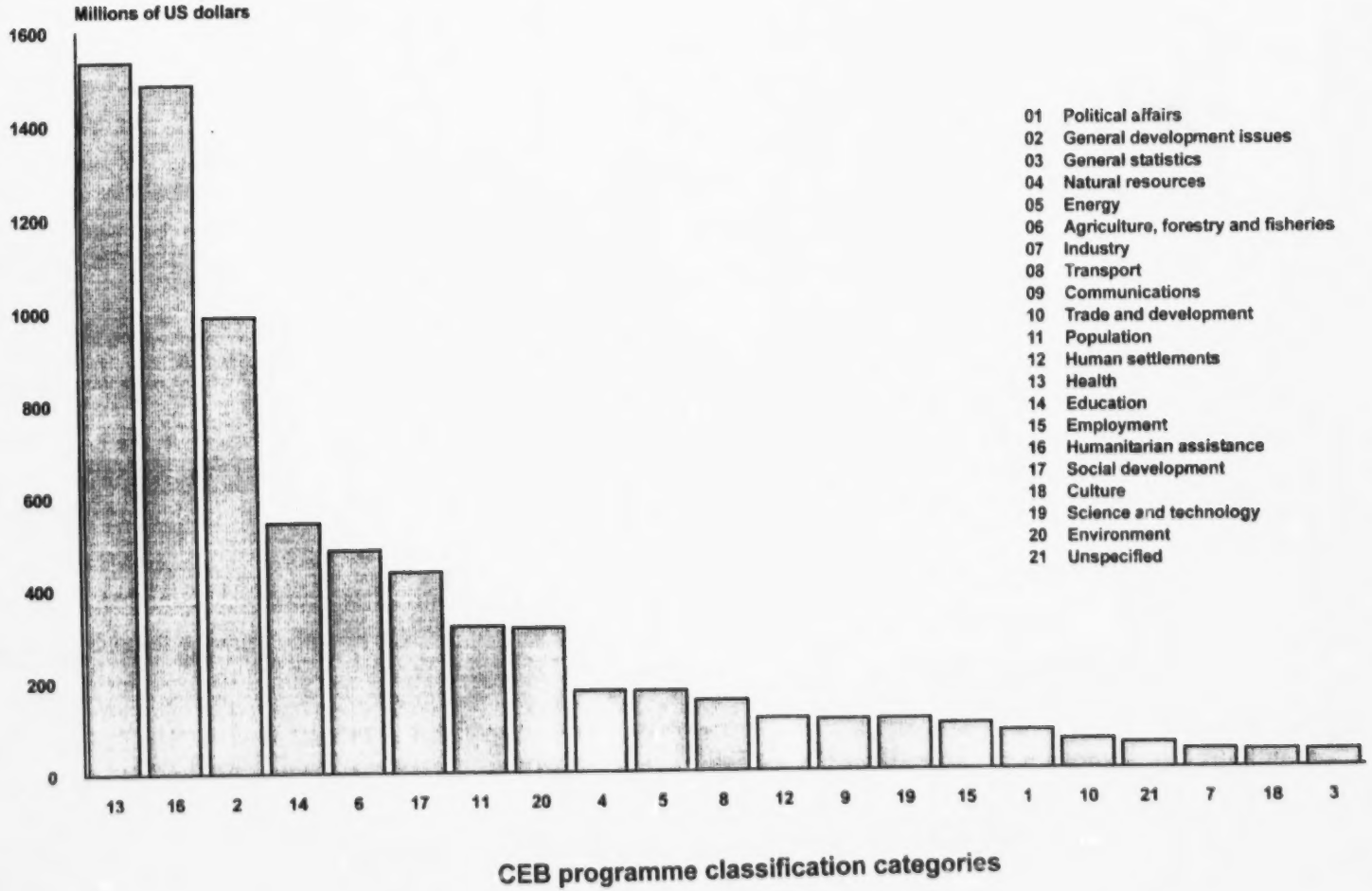
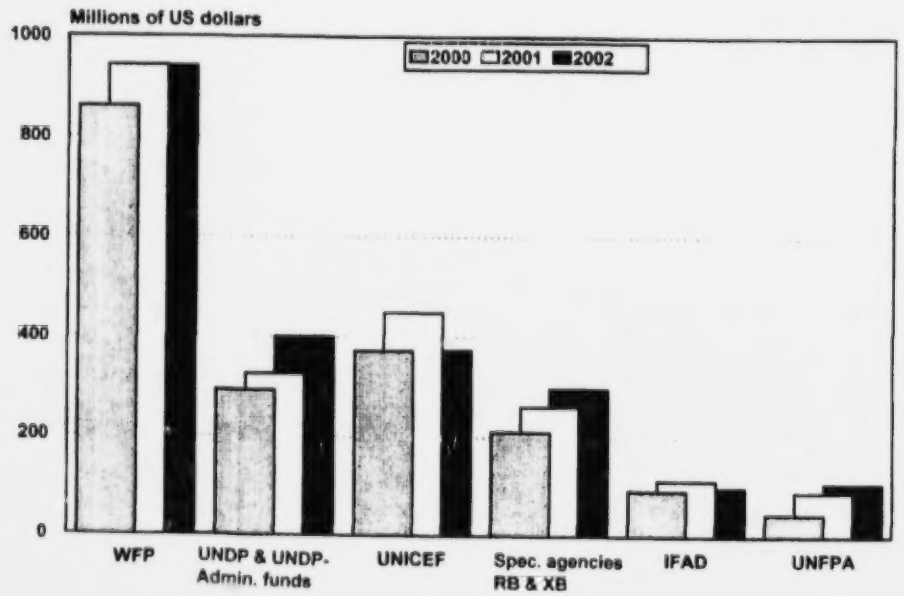


Table B-6. United Nations system: expenditures on operational activities for development in the least developed countries, 2000-2002, by source of funding

Source of funds	Millions of dollars			% of total allotted to least developed countries		
	2000	2001	2002	2000	2001	2002
UNDP main programmes	208.8	230.5	241.2	14	16	17
UNDP administered funds	84.1	94.6	158.0	18	19	25
UNFPA	45.9	89.2	106.7	34	29	35
UNICEF	371.2	447.4	372.6	41	45	36
Regular budget and extra-budgetary funds of agencies	210.3	261.1	297.2	15	13	14
WFP	859.9	942.2	941.1	57	54	60
IFAD a/	92.1	112.6	98.7	32	38	37

a/ Loan disbursements.

Expenditures on operational activities for development in the least developed countries, 2000-2002, by source of funding



Procurement activities of the United Nations development system

Table C. Total procurement, by agency, 2001-2002
(Thousands of United States dollars)

Agency	2001			2002			Grand total
	Goods	Services	Total	Goods	Services	Total	
ECLAC	1.45	1.25	2.7	0.78	1.25	2.03	4.73
ESCAP	2.15	2.53	4.68	1.13	1.66	2.79	7.47
ESCWA	1.10	1.39	2.49	1.45	1.45	2.90	5.39
FAO	126.2	26.83	153.03	83.71	18.27	101.98	255.01
IAEA	52.85	13.23	66.08	54.12	16.13	70.25	136.33
ILO	12.25	21.38	33.63	7.10	39.65	46.75	80.38
IMO	0	0	0	0	0	0	0
ITC	0	0	0	0	0	0	0
ITU	1.40	0.10	1.50	0.84	3.74	4.58	6.08
UNCTAD	0.39	1.40	1.79	0.29	0.54	0.83	2.62
UNON*	4.95	155.88	160.83	16.35	46.92	63.27	224.10
UNOPS	105.63	54.46	160.09	152.35	231	383.01	543.10
UNESCO	29.95	0	29.95	29.95	0	29.95	59.90
UNFPA	122.12	10.3	132.42	96.47	16.39	112.86	245.28
UNICEF	595.62	0	595.6	540.60	0	540.60	1136.22
UNIDO	8.08	30.62	38.7	8.85	32.32	41.17	79.87
UPU	0	0	0	0	0	0.00	0.00
WFP	361.77	442.21	803.98	399.13	438.08	837.21	1641.19
WHO	87.41	0	87.41	76.71	0	76.71	164.12
WIPO	102.63	0	102.6	110.09	0	110.09	212.72
WMO	6.11	1.29	7.40	4.03	0.41	4.44	11.84
WTO	0.02	0	0.02	0.02	0.07	0.09	0.11
NEX/UNDP	175.97	348.11	524.08	191.53	436.57	628.10	1152.18
GRAND TOTAL	1 798.05	1 110.98	2 909.03	1 775.50	1 284.11	3 059.61	5 968.64

* HABITAT and UNEP procurement of goods and services are combined.

United Nations E/2004/54

Economic and Social Council

Distr.: General
23 April 2004

Original: English

Substantive session of 2004
New York, 28 June-23 July 2004
High-level segment
Item 2 of the provisional agenda*
Resources mobilization and enabling environment for poverty eradication in the context of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010

Resources mobilization and enabling environment for poverty eradication in the context of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010

Report of the Secretary-General

Summary

The Programme of Action for the Least Developed Countries for the Decade 2001-2010 embodies a global commitment to address widespread poverty in the least developed countries. Mobilizing greater domestic and international resources for development in least developed countries is fundamental to this commitment. These countries face a number of structural challenges, domestically, and constraints to their participation in the global economy. Improving their domestic and global environment is crucial to enabling their development. Global, regional and national partnerships, including with civil society and the private sector, should be explored to this end.

* E/2004/100.

04-32278 (E) 190504

I. Introduction

1. The question of resource mobilization remains central to the efforts to fight generalized poverty in the world's 50 least developed countries. Yet, this question has so far proven very difficult to address.

2. The Brussels Programme of Action[1] recognizes that, in order to achieve "substantial progress towards halving the proportion of people living in extreme poverty and suffering from hunger by 2015", least developed countries will have to attain gross domestic product (GDP) growth rates of at least 7 per cent per annum and increase the ratio of investment to GDP to 25 per cent per annum. In reality, during 2000-2002, of 45 least developed countries for which data are available, only seven countries registered a real growth rate of 7 per cent or slightly more. Overall, the growth rate in 22 of 45 least developed countries was less than half the target rate and was declining in 13 of those 45 countries. In 2001, the ratio of investment to GDP was on average nearly 22 per cent. The share of least developed countries in world trade has remained very low, and they continue to rely on a limited range of export goods, in particular commodities with inherently volatile prices.

3. Economic growth requires, inter alia, investment in physical as well as human capital. Least developed countries face major challenges in both areas. There is a lack of skilled human resources, inadequate infrastructure, high levels of mortality, incidence of disease such as HIV/AIDS, tuberculosis and malaria and geographical disadvantages (over half of least developed countries are landlocked or small island States). These result in poor development of institutions, leading to inefficiencies of administration and preventing stable legal, economic and governance frameworks. In the more extreme cases, political disintegration has occurred, leading to instability and armed conflict. These conditions cause a drain on resources and constitute a serious disincentive for investment. Despite these difficulties, least developed countries have made some progress in addressing these problems.

4. However, investment levels have not increased sufficiently. Investment can be financed either domestically or from external sources. For least developed countries, the scope for domestic financing is quite narrow owing to low per-capita incomes, underdeveloped financial and tax systems and institutional weaknesses mentioned above. Moreover, external private capital flows to least developed countries are generally low and are not aimed at developing human capital. Official development assistance (ODA) therefore assumes a leading role in providing investment, particularly for strengthening institutions, infrastructure and human capital. Paragraph 79 of the Brussels Programme of Action, clearly states that "there is very limited scope, in the foreseeable future, to meet the multiple development finance requirements of least developed countries with domestic resources because of sluggish growth or economic stagnation, widespread poverty and weak domestic corporate sector. The large investment requirements of least developed countries imply a need for new and additional resources and efforts to increase ODA to least developed countries supportive of national programmes of action, including poverty eradication strategies".

5. There has been some improvement in terms of ODA flows to least developed countries. Since 2000, the donor community has increasingly concentrated aid flows on least developed country economies. A number of initiatives to enhance markets access for least developed country exports were launched. Despite these initiatives,

the persistently negligible share of least developed countries in world trade and foreign direct investment flows, over reliance on commodities, high vulnerability to external price shocks, insufficient ODA flows and limited external debt relief provided within the framework of the Enhanced Heavily Indebted Poor Countries Initiative have posed challenges to sustainable economic growth.

6. Given the current trends, most least developed countries are unlikely to achieve the objectives of the Brussels Programme of Action and other internationally agreed development goals, including those contained in the Millennium Declaration. It is thus essential to speed up the required domestic changes and the accompanying international cooperation.

7. In the Brussels Programme of Action, least developed countries and their development partners have made seven critical commitments to (a) foster a people-centred policy framework; (b) promote good governance at national and international levels; (c) build human and institutional capacities; (d) build productive capacities to make globalization work for least developed countries; (e) enhance the role of trade in development; (f) reduce vulnerability and protect the environment; and (g) mobilize financial resources. While the implementation of all seven commitments of the Brussels Programme of Action is essential for mobilizing resources to achieve the internationally agreed development targets, this report focuses on three critical areas.[2] Firstly, fostering a people-centred policy framework. Secondly, creating enabling conditions domestically and more so internationally. Thirdly, the role of partnerships, including public-private partnerships at all levels, in exploiting the growing potential of the private sector and civil society in achieving the objectives of the Brussels Programme of Action and the Millennium Development Goals.

II. Resources mobilization of the least developed countries — challenges and prospects

A. Mobilization of domestic resources

8. The Brussels Programme of Action recognizes that the most important financing for development comes from domestic resources. Sustainable poverty reduction can only be achieved when domestic revenues are sufficient, as a result of high and sustained growth rates, to support domestic public spending. In fact, average domestic resources available to finance investment and public services (for example, the difference between GDP and private consumption) in least developed countries stand at only 24 per cent of GDP, well below the average of 35 per cent for other developing countries. Similarly, the savings rate is just 12 per cent of GDP, almost half the average for other developing countries.

1. Tax collection and tax reforms

9. Taxation is a primary means of mobilizing the resources needed to finance essential public expenditures for economic and social development. Expanding the tax base entails creating the conditions for companies — especially small and medium enterprises — and workers to shift from the informal to the formal sector. It also requires steps to reverse capital flight and repatriation of the capital already abroad.

10. Tax collection rates are extremely low in least developed countries. Tax revenue as a share of GDP presently amounts to a mere 14 per cent in low-income countries, compared with 27 per cent in high-income countries. Furthermore, this average conceals large variations within least developed countries, especially evident with regard to taxes on incomes and profits in the mineral-exporting least developed countries. For example, tax on income and profit accounted for just 3.4 per cent of total government revenue in Guinea-Bissau, but as much as 39.0 per cent in Malawi in the same year.[3]

11. Most least developed countries realize by far the greatest proportion of their fiscal revenues from indirect taxes, in the form of import duties, export duties and excise on goods and to a lesser extent on services. On average, for non-mineral-exporting least developed countries, indirect taxation yields 70 to 80 per cent of total tax revenues. Ease of collection is a clear incentive for least developed countries to rely heavily on these taxes. The disadvantage, however, is that there are limits to increasing indirect taxes beyond which tax evasion and corruption can undermine the effectiveness of the system. Moreover, potential declines in revenues from international trade resulting from trade liberalization need to be buffered by strengthening domestic tax collection.

12. The remaining 20 to 30 per cent of public revenue is derived from direct taxation, which is not expected to increase significantly over the short or medium term, and which is hampered by a number of systemic inefficiencies. Only very limited revenues are collected from firms and even less from property levies. Tax exemptions and incentives are offered in many countries in order to promote investment, but have in fact eroded the tax base without necessarily achieving their original objective. Once introduced, such incentives are hard to remove. It is estimated that additional revenues equivalent to 1 to 2 per cent of GDP could be raised by eliminating tax incentives and exemptions and improving tax administration.

13. While addressing the challenges posed by the presence of a large informal sector for raising direct tax revenue significantly, excise duties on luxury items might provide additional revenue and make indirect taxation less regressive. At the same time, administrative inefficiencies in the collection system need to be addressed through international assistance and cooperation in capacity-building.

2. Financial intermediation, microfinance and financial markets

14. In many least developed countries, access to formal savings and loan instruments is still limited, despite high demand for such facilities. Fundamental problems are the high risk and transaction costs common in these countries. Evidence indicates that people with access to the formal sector save significantly more than those in the semi and informal sectors. The provision of secure and accessible savings systems encourages savings habits. Coupled with efficient financial intermediation policies, it can contribute substantially to reducing the domestic savings-investment gap and to promoting economic growth.

15. Even if the poverty impact is not immediately apparent, evidence indicates that access to credit contributes to development. For example, a study in the United Republic of Tanzania showed that household access to credit acted as a substitute for child labour.[4] Moreover, credit provided to people at the bottom income levels, especially women, farmers and entrepreneurs, improves the productive capacities of

local communities and facilitates inclusion of the poorest. This, in turn, supports the growth of local markets and increases economic opportunities through new jobs, investment and infrastructure.

16. Microfinance, including microcredit, is increasingly contributing to improved access of poor households, women, small and microenterprises to financial services. Yet, few least developed countries have reached a credit penetration rate over 1 per cent, indicating an enormous growth potential for microcredit. Bangladesh, a leader in this area, where roughly 7 per cent of the population has access to credit, is an exception.

17. Even though the actual amounts are modest, with an average loan size for United Nations Capital Development Fund (UNCDF)-United Nations Development Programme (UNDP) supported programmes of just 44 United States dollars, microcredits represent in aggregate a significant portion of domestic finance in least developed countries. This means that Governments of least developed countries can support domestic capital accumulation by promoting efficient financial intermediation, as well as security, integrity and accessibility of savings, the three most important characteristics of saving products to poor and low-income people. However, expanding the reach of microfinance faces several constraints, including lack of property rights and hence of tangible collateral or information on creditworthiness and limited local capacity to implement programmes. Reform of land and business registries and registration procedures, with a view to substantially reducing the costs of registering asset ownership, can have significant impact in this regard, though its implementation has proven challenging.

18. There are specific institutions that could cater to low-income families, such as small-scale credit unions, postal savings or village banks. In addition, there is potential for commercial banks to redirect part of their portfolios to the poor. Nevertheless, poor households — the majority in least developed countries — have little access to funds and savings facilities, particularly in rural areas. Indeed, many countries lack adequate rural banking systems.

19. The rapid pace of globalization over the last two decades has put pressure on least developed countries to develop their financial institutions in order to mobilize their own domestic savings, reduce capital flight, attract a share of the rapidly increasing flow of international capital and intermediate capital inflows efficiently. Yet, least developed countries often have the most to catch up with the least technical and financial resources to do so.

20. The cost of borrowing can be reduced by measures such as credit rating, closer supervision of financial institutions and enforcement of existing reporting standards and disclosure requirements. For example, Benin underwent a sovereign credit rating exercise, with UNDP assistance, improving its credit worthiness. Burkina Faso, Madagascar, Mali and Mozambique are planning to do so this year. Several initiatives are being taken to assist least developed countries enhance their financial intermediation capacity and financial market development, aimed at attracting more private financial resources to complement public funds.

21. Local bond markets have expanded in some countries in recent years. They can provide an important source of credit for public and corporate borrowers. However, bond markets can normally develop only after basic deposit-taking and lending infrastructure is in place. Moreover, the small size of most least developed countries

favours a regional approach to financial-sector institution-building, whenever feasible. There is great scope for South-South and triangular cooperation among development partners in building capacity and financial institutions.

B. Mobilization of external resources

22. The large investment required for least developed countries to meet the goals of the Brussels Programme of Action and the Millennium Development Goals and the limited basis for raising additional domestic resources reinforces the dire need for external resources. Against this backdrop, recent trends in resource flows to least developed countries show a mixed picture. In 2002, total net resource flows amounted to some $17 billion, a record level and a 35 per cent increase over the year 2000. Despite shifts in the composition of aggregate net resource flows in 2001 and 2002, the structure of long-term capital inflows to these countries has remained relatively stable. Official capital flows account for two thirds of aggregate net resource flows, with the remaining one third represented by private capital flows. Notably, least developed countries increased their share of long-term capital flows to all developing countries from 4.7 per cent in 1997/99 to 7.4 per cent in 2000/02. At the same time, short-term capital flows to least developed countries have generally been characterized as unstable and unpredictable.

1. Official development assistance flows

23. Most least developed countries rely heavily on ODA as a major component of external financing for their development. This has rendered them vulnerable to declining trends in ODA flows in the 1990s. Since 2000, the donor community has increasingly concentrated aid inflows on least developed country economies. In 2002 these countries received 26 per cent of total ODA disbursements ($17.3 billion), up from about 21 per cent in 1999. On a per capita basis, nominal net ODA flows have risen by more than one third since 1999. In real terms, however, net aid flows per capita were still about 16 per cent lower in 2002 than in the early 1990s. According to the United Nations Conference on Trade and Development (UNCTAD) actual ODA disbursements are more than a third short of the agreed target for least developed countries.[5]

24. Grants account for about four fifths of total aid flows to least developed countries. However, the non-grant component of ODA has sharply increased in recent years, outpacing the growth rate of the grant portion of ODA and raising concerns for a gradual build-up of official debt burden in the least developed countries.

25. As regards the sectoral distribution of aid flows, both bilateral and multilateral donors continue to prefer channelling ODA commitments into social infrastructure and services. This preference is at the expense of aid flows to economic infrastructure. As much as least developed countries need aid for social infrastructure and services, this imbalance raises concerns about prospects for developing and modernizing their economic base, in particular with regard to the sustainability of their efforts to strengthen local supply capacities. This point was strongly emphasized at the 17 February high-level segment preparatory meeting.

26. Despite recent increases in ODA flows, most donors are still below the aid commitments stipulated in the Brussels Programme of Action. Only six

Development Assistance Committee member countries (Denmark, Ireland, Luxembourg, Netherlands, Norway and Sweden), surpassed the target of making net ODA disbursements to least developed countries equivalent to more than 0.20 per cent of their respective gross national income (GNI) in 2002. The United States of America and Japan remain the two single largest donors in absolute terms, accounting for 19.9 per cent and 12 per cent of total Development Assistance Committee aid to least developed countries respectively, but their ratios of ODA to least developed countries over GNI in 2002 were just 0.03 per cent and 0.04 per cent. European Union (EU) members cumulatively provided 59 per cent of total ODA to least developed countries in 2002, and their ODA to least developed countries/GNI ratio was 0.10 per cent in 2002.

27. Improving the quality of aid is as important as improving the quantity of aid. In this regard, a most significant decision in the Brussels Programme of Action is the recommendation to untie, by 1 January 2002, ODA in seven key areas. An assessment of progress achieved in the implementation of this initiative will soon be required, and cooperation among the United Nations, UNCTAD and the Organisation for Economic Cooperation and Development (OECD) could help in this regard. Meanwhile, early reports indicate that almost all Development Assistance Committee members have rapidly untied ODA. Given that about 50 per cent of bilateral aid was tied before the recommendation to untie aid to least developed countries, the decision should have a significant impact on improving the efficiency of aid. In order to maximize the economic benefits, least developed countries will also have to make major efforts to improve their government procurement system.

28. Development assistance is delivered in a number of different forms: direct budget support, financing of sector programmes, project support and technical assistance, depending on the recipient's priorities and requirements, the objectives of the donor intervention, and individual donor requirements, constraints or preferences. While recipient countries have expressed a clear preference for ODA channelled through budget support, only a small number of donor countries have started testing this approach in selected least developed countries. The majority of donors have not used this channel on grounds of internal legal requirements, perceived weaknesses in recipient country budget management systems, or efficiency. These concerns require special attention. Nevertheless, considerable benefits can be expected from improved alignment of support with country priorities and the harmonization of policies, procedures and practices in all forms of aid delivery.

29. A combination of channelling aid through the national budgeting process, a long-term commitment of ODA flows and avoidance of pro-cyclical flows would have positive impacts on aid effectiveness, by reducing uncertainty and unpredictability of flows and better contributing to filling the domestic savings-investment gap with regard to public investment programmes.

2. External debt and the heavily indebted poor countries

30. High levels of external indebtedness continue to hinder economic performance in many least developed countries, as debt service payments drain limited resources that could otherwise be spent on creating the conditions for economic growth and poverty reduction. Least developed countries emerging from conflict situations are

especially vulnerable to their debt burdens, since often they need to rebuild their infrastructure, including resource mobilization systems, almost from scratch. Overall, after a temporary decline, the debt stock of least developed countries resurged to over $145 billion in 2002. This increase is in spite of the fact that several least developed countries have benefited from recent debt relief measures, including from the Enhanced Heavily Indebted Poor Countries Initiative. Currently, 32 of the 50 least developed countries are classified as heavily indebted poor countries, 7 have reached the initiative's "completion point" and 14 have reached "decision point".

31. The Enhanced Heavily Indebted Poor Countries Initiative has made some progress towards meeting its objective of reducing the debt burden of these countries. Total debt stocks of the 27 heavily indebted poor countries that have reached "decision point", including 21 least developed countries, are projected to decline by over two thirds. Debt service as a share of exports of the 21 least developed countries that are also heavily indebted fell by about 30 per cent between 1998/99 and 2000/02, freeing about $1 billion in annual debt-service savings for poverty-reducing expenditures.

32. Despite these positive developments, three problems have become apparent with the Heavily Indebted Poor Countries Initiative. Firstly, the process has been extremely slow, with nine least developed countries having yet to reach even the first step ("decision point"). Delays have been attributed to problems in preparing the poverty reduction strategy papers or meeting fiscal targets. Options concerning the initiative's goals after its expiration at the end of 2004 are being considered.

33. Secondly, concerns have arisen as to whether participating countries can achieve debt sustainability, even after implementation of the full debt relief. According to UNCTAD,[6] debt-service payments due in 2003-2005 will be higher in four least developed countries that had reached decision point by 2002 than those paid in 1998-2000. In six other least developed countries, reduction in debt-service payments in the same period is less than $15 million.

34. At the heart of the problem are unrealistic assumptions of economic growth and commodity prices. These concerns have intensified following a marked long-term decline in world commodities prices, on which many least developed country economies continue to be highly dependent and which are prone to unpredictable climate fluctuations and other external shocks. In 2003, these prices were on average more than one third lower than in 1980 in real terms, despite the recent upturn in some prices. Besides downward trends, price volatility has had damaging effects on development in least developed countries. According to UNCTAD's commodity price instabili[illegible] index, the average monthly price deviation for commodities as a whole was 2.8 per cent during 1999/02, compared with 1.8 per cent in 1989/98. Vegetable oilseeds and oils, coffee and mineral ores and metals are especially vulnerable to price fluctuations. Specific guidelines for low-income countries' debt sustainability are being developed, which take into account commodity price volatility.

35. Finally, debt sustainability hinges on a substantial increase in financing resources available for heavily indebted poor countries in the form of grants. The current inadequacy of these resources is putting at risk this important aspect for the achievement of the Millennium Development Goals.

36. The Enhanced Heavily Indebted Poor Countries Initiative will provide a durable exit from the debt problem only if it can strengthen recipients' economic growth. At present, the persistent debt burden continues to undermine growth policies. heavily indebted poor countries finance ministers have urged the international community to address this by factoring shocks more realistically into debt sustainability macroeconomic projections and by interpreting policy conditionality more flexibly in the event of shocks. They also urged acceleration of interim relief agreements to ensure that faster relief is provided immediately after decision point, and urged all bilateral and multilateral creditors to cancel 100 per cent of all debt service at decision point, and 100 per cent of debt stock at completion point.[7]

3. Trade

37. Another important channel of resources mobilization for least developed countries is international trade, a more stable source of foreign exchange and income for these countries. Total exports of least developed countries roughly doubled between 1990 and 2002. However, since there was limited diversification into more dynamic manufactured exports, the overall share of least developed country exports in world trade remained largely unchanged during that period, at an average of only about 0.4 per cent. In fact, the share of manufactures in total least developed country exports declined slightly in the same period (to about 42 per cent). Moreover, in 2001 three Asian countries accounted for 60 per cent of least developed countries' manufactured exports. The vast majority of least developed countries have not yet been able to strengthen their export earnings by meaningful diversification into manufactured exports. Moreover, in commodity-dependent least developed countries, particularly in Africa, the ability of international trade to act as an engine of growth and poverty reduction is being short-circuited by falling and unstable world commodities prices.

38. Weak supply capacities and high transport costs in least developed countries, combined with trade barriers and high subsidies among their competitors, continue to limit their export growth. Recent market access initiatives, such as the "Everything but Arms" initiative of the European Union and the Africa Growth and Opportunity Act of the United States of America and other bilateral preferential market access offers, can make a positive contribution to investment flows, foreign exchange earnings, job creation and income generation in these countries. Although tariffs are on average much lower in developed countries than in developing countries, many barriers remain, including tariff escalation, tariff peaks, technical standards and rules of origin. Such barriers have negatively affected the use of the special market preferences granted to least developed countries.

39. Agriculture subsidies in developed countries, such as those to high-cost cotton producers in the United States and sugar in the European Union, have hindered growth potential and poverty reduction efforts in low cost least developed countries, preventing them from developing otherwise viable industries. Cotton in Benin, Burkina Faso, Chad and Mali is a case in point.

40. The persistent difficulties associated with commodities dependency in least developed countries underline the need for the international community to explore the problem and suggest solutions. For example, greater assistance targeted at relieving supply-side constraints, broader liberalization of OECD domestic

agricultural markets through gradual elimination of existing massive agricultural subsidies would increase the benefits from trade for least developed countries. Since least developed country diversification into non-farm activities is crucial, urgent measures should be taken to promote small- and medium-sized enterprises, particularly those engaged in agricultural processing and labour-intensive activities.

41. Only 42 per cent of least developed country exports enter industrial country markets, while 49 per cent is directed to other developing countries. Evidence suggests that this share is increasing. This has important policy implications for least developed countries in terms of diversifying their markets and their trading opportunities within their respective subregions. The Brussels Programme of Action also recognized the important role of "South-South and regional and subregional cooperation for least developed countries' development".

42. Enhanced market access and dismantling of subsidies would offer least developed countries the room needed to grow and generate resources for their development, and ultimately for the diversification of their economies. At the Doha Ministerial Conference held in November 2001, the endorsement by World Trade Organization Ministers of the Integrated Framework for Trade-related Activities in least developed countries as a viable model for least developed countries' trade development was an important step.

4. Foreign direct investment flows

43. Foreign direct investment can play an important role in complementing other efforts to foster productive activities and raise least developed country competitiveness. Foreign direct investment flows tend to be more stable than other capital flows and often promote improvements in capacity, technology transfer, labour skills, and market access, which additionally benefits the recipient economy.

44. In today's highly competitive global markets, least developed countries seeking to attract foreign direct investment increasingly need solid infrastructure, skilled and productive labour, and adequate support institutions and services. This is a challenge for many least developed countries, which need to achieve further progress in these areas. While low labour costs in least developed countries are an influential factor, this is often a temporary advantage. The disadvantage of least developed country economies' small size should be addressed, where feasible, through regional integration.

45. Foreign direct investment flows to least developed countries have increased in absolute terms from an annual average of $0.6 billion in 1986-1990 to an average of $5.2 billion in 2002. However, foreign direct investment flows to least developed countries remain highly concentrated in a few countries. Five least developed countries that are either current or prospective oil-exporters — Angola, Chad, Equatorial Guinea, Sudan and Yemen — accounted for almost two thirds of all foreign direct investment flows to least developed countries in 2002.

46. Intense competition for foreign direct investment is leading countries to adopt a more targeted approach to foreign direct investment promotion, particularly as a supply response to preferential treatment of their exports in developed country markets. For example, despite the limitations of the Africa Growth and Opportunity Act of the United States of America trade-preference scheme, a number of countries, including Madagascar and Lesotho, have used that mechanism to attract substantial

export-oriented foreign direct investment. The promotion of export-oriented development, therefore, needs to be well integrated into the country's overall development strategy.

47. Among the top 10 least developed country recipients of foreign direct investment are Bangladesh, Cambodia, Lesotho, Mozambique, Uganda and the United Republic of Tanzania. These countries demonstrate that non-mineral least developed countries can both develop a strong export potential and attract foreign direct investment. Moreover, at the 17 February high-level segment preparatory meeting, participants emphasized that the major non-mineral-exporter least developed countries receiving foreign direct investment are also major recipients of ODA, indicating a possible link between the two. These countries include Mozambique, United Republic of Tanzania, Bangladesh, Uganda and Zambia. Effective and targeted ODA can be used as catalyst for increasing foreign direct investment flows to least developed countries by improving the conditions needed to attract them. This requires enhancing the policy dialogue with all development partners, including the private sector, and could in time lead to higher investments in least developed countries, far beyond ODA flows.

5. Remittances

48. Workers' remittances are a primary source of external finance for several least developed countries. In 2003, among low-income developing countries,[8] official remittances sent through wire services or banks amounted to $26 billion, or 2.9 per cent of total GDP and 380 per cent of foreign direct investment.[9] In some cases, their share of GDP is much higher (27 per cent in Lesotho, 14 per cent in Cape Verde, 9 per cent in Uganda). In Bangladesh, remittances totalled $3.1 billion in 2003.[10] Yet the total value of remittances is even greater, as further large (and unknown) sums are transferred through informal channels and thus go unrecorded.

49. Not only are remittances critical as a source of foreign exchange for many labour-exporting countries, much larger than official development assistance, they are also vital to the consumption and investment behaviour of migrant households and families in the countries of origin. Evidence suggests that remittances help to reduce poverty and improve household welfare through their common use for education and health-care purposes. In addition, remittances are less volatile and less concentrated than private capital flows. They are also larger, as a share of GDP and imports, in low-income countries than in other developing countries. At the same time, remittances can encourage consumption of imported goods and create dependency among migrants' households in the countries of origin.

50. Government policies can promote further growth of remittances and their positive effects on socio-economic development. Transaction costs through official channels are much higher than through informal systems such as "hawala" or "hundi", and often exceed 20 per cent. Moreover, official channels often lack the reach to the rural areas of the countries of origin that informal systems have. Harmonization of remittance systems, increased competition among banks and wire-transfer agencies; participation of alternative financial institutions in the transfer business, such as microfinance institutions and credit-union cooperatives; and technological improvements, such as the use of debit/automated teller machine cards by recipients, are starting to reduce transaction costs and expand access in some markets but need to be more widely promoted.

III. Creating an enabling environment

51. The Brussels Programme of Action recognizes that "an enabling environment with peaceful solution of conflicts and respect for internationally recognized human rights, including the right to development, provides the best context for domestic and international resource mobilization".

A. The domestic environment

52. There are four important dimensions of an enabling domestic environment that require equal attention: (a) sound macroeconomic policies that facilitate growth and avoid all forms of macroeconomic imbalances (inflation but also strong swings in economic activity, unsustainable balance of payments situations and financial sector vulnerability); (b) economic policies aimed at directly encouraging productive development, including more and improved physical infrastructure, an effective technological transfer, and productive development strategies that facilitate the creation of new productive and export capacities, and a dynamic group of micro and small enterprises, particularly in the rural sector, where most people in least developed countries live; (c) ambitious social policies that invest in and empower people, and design appropriate protection systems, resulting in skilled and healthy human resources, broader participation and social cohesion; and (d) strong institutional and governance capacity, aimed at maintaining the basic rule of law, including a solid legal and regulatory framework for economic activities.

53. In pursuance of the Brussels Programme of Action, several least developed countries are currently in the process of refining their own national development policies, strategies, governance structures and processes. In this regard, many of them have made use of the poverty reduction strategy paper process as a vehicle rooted in long-term national development, and one that is expected to deliver economic growth. In addition, creation of inclusive systems and governance processes and empowerment of people, particularly women, have proved to be the best way of giving them a stake in their society, enabling them to earn a decent living and working their way out of poverty. The policies to create a domestic enabling environment should therefore be developed through a participatory approach.

54. While there has been some progress made in the formulation of productive development policies, including financial policy and technology policy, sufficient resources have not been allocated to productive sectors. There is certainly a need for further promoting the adoption of mesoeconomic and microeconomic policies and targeted efforts to provide resources, particularly external funding to finance projects for developing physical infrastructure and the creation of new productive and export capacities. Improvement in productivity and supply capacity will certainly attract both domestic and foreign investment.

55. It is being increasingly recognized, at least within least developed countries, that an enabling domestic environment leading to an attractive investment climate depends not only on sound macroeconomic framework and good governance but

also on productive development policies. This should also be acknowledged by the international financial institutions and the donor community.

B. The international environment

56. The Brussels Programme of Action recognizes the importance of good governance at the international level and transparency in the financial, monetary and trading systems. It further emphasizes the shared responsibility of the international community in creating a global enabling environment conducive to least developed country growth and development. However, the shortcomings in ODA, debt relief, trade and investment identified in this report, combined with lack of coherence in global polices and an asymmetry in international economic relations have reduced the effectiveness of least developed countries' own development efforts.

57. The Monterrey Consensus recognizes the urgent need to enhance coherence and consistency of the international monetary, financial and trading systems. It also underlines the importance of improving global economic governance. In this regard, the participation of developing countries, particularly least developed countries, needs to be enhanced in the global governance framework, including through economic dialogue and decision-making. An appropriate global macroeconomic policy setting is required that serves global objectives and does not frustrate the efforts of least developed countries to restructure and diversify their economies.[11] Enhanced market access, dependent on WTO negotiations following post-Cancun setbacks, is critical for the success of any scheme to integrate least developed countries more fully into the global economy. Transfer of knowledge and technology to least developed countries needs to be facilitated through innovative mechanisms and targeted policies.

58. At Monterrey, donors acknowledged the need to improve the effectiveness of aid and promote ownership by aligning their support to recipient countries development strategies, improving donor coordination and harmonizing aid modalities and processes across donors. The Rome Declaration on Harmonization, adopted in February 2003 by the leaders of multilateral and bilateral development institutions, is a milestone with regard to aid delivery mechanisms.

59. While some progress has been made in creating an enabling international environment for the development of least developed countries, there are still major gaps and a lack of coherence in policies, particularly in the areas of finance, investment, technology, trade and aid policies, and in development frameworks. Regional economic integration, when moving beyond free trade areas to include the harmonization of macroeconomic policies, can also facilitate the creating of an enabling environment.

60. To ensure that requisite steps are undertaken at the domestic, regional and international levels, a mechanism for mutual accountability may be established. This would hold developed and least developed country partners accountable to each other. The Economic Commission for Africa has already developed such a mechanism within the framework of the New Partnership for Africa's Development (NEPAD), as reflected in the section on partnerships.

C. The special problems of least developed countries emerging from conflict

61. Eighty per cent of the world's 20 poorest countries have suffered a major civil war in the past 15 years. Such instability is a major obstacle to making the business climate attractive to both domestic and foreign investors, and hampers development. At the same time, the very lack of access to resources can undermine the basic mechanisms of governance and contribute to political disintegration and open social conflicts. Breaking this cycle and establishing or re-establishing an environment conducive to economic growth and development requires specific efforts in these countries.

62. Past experience demonstrates the importance of sequencing targeted intervention. Establishing, first, political agreement and security and then open governance institutions, including the rule of law, can win the confidence of returning populations, as well as the international community, which invests in rebuilding these countries.

63. Re-establishing an environment for business and employment opportunities, without which there is little incentive for refugees to return or rebels to disarm, is challenging in such an environment. In Angola, Rwanda, Burundi, Mozambique and Sierra Leone, UNDP has supported projects aimed at rebuilding capacity, supporting the demobilization of ex-combatants, retraining police and judges and rebuilding legal institutions. Sierra Leone's successful disarmament, demobilization and reintegration (DDR) programmes involving the United Nations Secretariat's Department of Peacekeeping Operations and UNDP have disarmed rebels in exchange for vocational training and cash incentives, promoting employment.

64. At the 17 March high-level segment preparatory meeting, it was stressed that dependence on natural resource exports can also increase the risk of conflict. The profitability and immobility of resource extraction make natural resources vulnerable to plundering. Conflicts in many least developed countries are very often financed by the revenues generated from the illicit sales of these resources. There have been some efforts to address this factor through the adoption of mandatory and voluntary measures, but more needs to be done.

65. Aid, targeted at the poorest countries, could make assistance more effective and could contribute towards conflict prevention. Economic policy and stronger institutions can play an important role in preventing potential socio-economic tensions from turning violent. Military agreements and aid commitments to countries emerging from conflict should last long enough for development to take hold, in order to avoid the resumption of hostilities. Tackling resource dependency as a fuel for conflict, insurance mechanisms should be explored to reduce exposure to commodities shocks, and transparency should be increased to track flows of resource revenues to prevent illicit financing of rebel groups. The international community should adopt an international policy framework to curb the flow of financial resources to combatants. Furthermore, efforts to mobilize resources should be closely integrated with efforts to achieve peace and security. In this regard, the Economic and Social Council's engagement in post-conflict situations should be geared towards greater integration of issues relating to peace and development. One cannot exist without the other.

IV. Role of partnerships in resource mobilization and enabling environment for the implementation of the Brussels Programme of Action

66. The concept of partnerships is a defining feature of the Brussels Programme of Action. It provides "A Framework for Partnership" that is based on mutual commitments by least developed countries and their development partners to undertake concrete steps for the implementation of the Programme of Action. This partnership is expected to infuse a new spirit of international cooperation, based on the principle of getting common benefits, but also on the common but differentiated responsibilities of developing and developed countries.

67. The Programme also recognizes the role of strong public-private partnerships in the implementation process. It attaches importance to building such partnerships at the global, regional, and national levels, including with the participation of civil society and the private sector. In a globalizing world, the role of the private sector is becoming increasingly significant to the efforts to mobilize resources.

68. The New Partnership for Africa's Development (NEPAD) is a long-term vision of an Africa-owned and Africa-led development programme. The review of its implementation is based on the principle of mutual accountability. The Economic Commission for Africa mechanism reviews the commitments that least developed countries on the one side and donors on the other side should take in order to promote the growth of the poor. This represents a commitment by Africa to engage in systematic peer learning and self-monitoring, and an examination of the policies and actions of Africa's partners as to development outcomes. Such a mechanism could also be explored for the Brussels Programme of Action partnership.

69. Over the last few years, a number of major initiatives have been launched by multilateral organizations, Governments, non-governmental organizations (NGOs), civil society and the private sector. These have helped on many fronts to draw the private sector into productive partnerships. The United Nations Global Compact, along with UNDP, initiated the Growing Sustainable Business for Poverty Reduction Initiative (GSB), which encourages multi-stakeholder engagement of the private sector with Government, civil society, the United Nations and other development organizations, to demonstrate how commercial business activities can contribute to poverty reduction and promote sustainable development. Pilot projects are focused on least developed countries, including Ethiopia, United Republic of Tanzania, Madagascar, Bangladesh and Angola. There is huge scope for public-private partnerships that match real investment opportunities with the real needs of the poor. The United Nations Fund for International Partnerships (UNFIP) is at the forefront of developing innovative partnerships with the private sector, foundations and NGOs. Its partnership with the United Nations Foundation has generated over $564 million in support of economic and social programmes, largely concentrated in least developed countries.

70. Following the adoption of the Ministerial Declaration at the 2003 substantive session of the Economic and Social Council, the United Nations Public-Private Alliance for Rural Development was launched. It aims to encourage replication of successful business policies that are profitable, while also contributing to the economic advancement of poor people in rural areas. Madagascar is the first country of focus for the Alliance.

71. Another example of global partnership between different institutions is the United Nations Information and Communication Technologies Task Force, which brings together chief executive officers, government officials, non-governmental organizations, technical experts and other information industry leaders to assist low income countries integrate into the new world of information globalization.

72. An Agricultural Trade Task Force was created in 2001 and it brings together for the first time a diverse range of stakeholders in agricultural trade for constructive dialogue. Participants come from leading global and regional food and beverage companies, NGOs focused on development and poverty alleviation, international organizations and research institutes. The Task Force aims to drive forward equitable reform of global agricultural trade in order to make a substantial contribution to the alleviation of poverty in the developing world.

73. The number of public-private partnerships established to deal with the challenges of development is growing. The challenge, however, is to make the best possible use of these and promote partnerships that are mainly focused on resource mobilization for meeting the goals of poverty eradication in least developed countries. For this purpose, the private sector needs to be engaged. Moreover, NGOs have a significant role to play in empowering the poor and fostering a people-centred policy framework. This concept was emphasized at the NGO Forum held on 18 March in preparation for the high-level segment of the Economic and Social Council. Least developed countries need to promote such partnerships. Their development partners should support their efforts. The potential partners need to know that these countries are least developed but their potential to develop is not least. This potential should not be underestimated and can be best exploited through partnerships that are flexible and dynamic in their approach.

V. Conclusions and recommendations

74. **Least developed countries face numerous challenges in mobilizing resources for poverty eradication and for the overall implementation of the Brussels Programme of Action. Five major aspects require particularly urgent attention. First, create an enabling environment, including through infrastructure investment and productive development strategies, to unleash the domestic potential for investment and sustained growth. Second, direct assistance in the form of ODA is required as a necessary first step to help build the conditions from which increased economic activity can take off. Official development assistance should be provided in the form of grants so that in the long term it does not increase the debt burden of least developed countries. Third, the international community should reinforce its commitment to create a global policy framework that helps in generating resources. All policies and decisions should be made within a coherent framework of mutually supportive objectives, such that ODA does not become a dependency, debt-service agreements are sustainable, commodity's prices are more stable and exports are not hindered by trade barriers and high subsidies, particularly in developed countries, preventing development of otherwise viable trade opportunities and capacity in least developed countries. Fourth, promote partnerships, including public-private partnerships, at all levels in order to support least developed country efforts to generate resources. Fifth, special**

funding provisions should be made for those least developed countries that are in conflict situations or are emerging from one.

75. **The following set of recommendations is presented to meet these challenges and to expedite implementation of the Brussels Programme of Action.**

76. **Least developed countries should:**

(a) **Mainstream the objectives and priorities of internationally agreed targets, such as those contained in the Brussels Programme of Action and the Millennium Declaration, into national development strategies and policies;**

(b) **Ensure that macroeconomic framework of the poverty reduction strategy papers is consistent with, and contributes to, the goals of poverty reduction. Enhance the dialogue between national Governments and other development partners, leading to the formulation and implementation of the poverty reduction strategy papers;**

(c) **Improve the efficiency and transparency of domestic administration and public spending, increase transparency and accountability, promote effective governance and the rule of law, and invest in education and health sectors. To this end, make optimal use of the opportunities available domestically to increase levels of spending for investment in human-resource development, in institution building, in developing physical infrastructure, and in fostering dynamic productive restructuring and the creation of new export capacity. Create solid frameworks and environments for increasing savings and attracting investment;**

(d) **Promote guaranteed property rights through the creation of formal property systems for the poor and the landless and facilitate capital generation through these assets;**

(e) **Explore avenues for expanding the share of domestic revenue derived from direct taxation of income and profit, including through expansion of the tax base to include high-incomes where these are not already covered. Improve the effectiveness, efficiency and equity of the tax collection system, with a view to minimizing tax evasion and cutting costs. Harmonize, simplify and modernize tax collection systems, with donor assistance, through relevant capacity and institution building programmes;**

(f) **Expand and deepen financial intermediation systems, especially microfinance institutions, with assistance from development partners. Make every effort to integrate large numbers of small capital flows, including worker remittances, in order to benefit from their leverage potential. Explore, where possible, channelling remittances to household investments and the development of small- and medium-sized enterprises, and the development of export industries targeted at migrant communities. Make special efforts to align the informal sector with the formal sector, with a view to taking full advantage of the potential contribution of large informal-sector activities to their economies;**

(g) **Explore, where possible, the setting up of domestic bond markets or joining existing regional and subregional exchange markets to increase the**

mobilization of financial capital. Development partners are encouraged to support such activities, especially in the context of South-South cooperation.

77. **The international community should:**

(a) **Urge donor countries to fulfil their commitments, including those contained in the Brussels Programme of Action, to increase ODA flows to least developed countries to the level of 0.20 per cent of GNP. Donors whose ODA levels are still below 0.15 per cent of GNP should especially undertake to reach that level by 2006. Emphasize that ODA to all least developed countries should be given in the form of grants;**

(b) **Call on donors to harmonize ODA flows and mechanisms with national development strategies and priorities and with minimal conditionalities in order to ensure that development strategies are truly nationally owned and managed and that ODA resources can be used most effectively. Encourage the channelling of ODA, wherever possible, through national budget processes, and make efforts to reduce parallel accountability and reporting procedures;**

(c) **Urge donor countries to provide adequate, timely grant funds to support long-term post-conflict recovery and reconstruction efforts in least developed countries emerging from conflict;**

(d) **Accelerate implementation of the Heavily Indebted Poor Countries Initiative for eligible least developed countries, including interim debt relief. Reduce substantially, and wherever possible, cancel all multilateral and bilateral debt completely, in order to free up essential resources for development and poverty reduction. Undertake special measures for least developed countries emerging from conflict situations to promote quick reconstruction and recovery. Ensure that the debt burden addressed within the heavily indebted poor countries framework for such countries is fully cancelled by the time they reach completion point;**

(e) **Ensure that economic shocks and commodities-related uncertainties are more realistically factored into heavily indebted poor countries projections, in order to minimize problems pertaining to unsustainability of debt relief following heavily indebted poor countries initiatives, resulting in perpetual macroeconomic restructuring. Consider extending the Commodity Hedge Instrument, currently available to all non-concessional or International Bank for Reconstruction and Development (IBRD) borrowers of the World Bank, to other borrowers;**

(f) **Provide support to least developed countries through targeted foreign direct investment promotional programmes, including through such measures as investment guarantee schemes, and using ODA to build the capacity and conditions to make foreign direct investment flows feasible;**

(g) **Promote innovative mechanisms in order to accord least developed countries special treatment in facilitating acquisition, transfer and development of technology;**

(h) **Build capacity of the productive sectors and economic infrastructure, including in particular the promotion of small- and medium-sized enterprises in least developed countries through targeted ODA and assist least developed country efforts to diversify away from dependence on commodities;**

(i) **Call on all countries to provide free market access to the exports of least developed countries by removing tariffs, non-tariff and technical barriers. Improve the implementation of market access preferential schemes like Everything but Arms initiative and Africa Growth and Opportunity Act, including through capacity-building programmes that address the supply capacity constraints of least developed countries. Eliminate subsidies and other protectionist measures in developed countries;**

(j) **Promote trade development of least developed countries, through the implementation in the current multilateral trade negotiations of a broad-based and development-oriented set of special and differential treatment (SDT) measures that are more contractual, operational and predictable;**

(k) **Explore the potential for South-South cooperation in expanding trade opportunities, capacity-building and debt relief. Urge regional organizations to explore the possibilities of increasing least developed country access to regional markets through enhanced regional trade agreements and regional technology transfer and technical advice;**

(l) **Emphasize that the International Monetary Fund Compensatory Financing Facility should be made more accessible and relevant to the current circumstances and promote establishment of commodity-linked multilateral lending or alternative counter-cyclical devices. Encourage donors to ensure that the volume of aid and financial flows is made counter-cyclical;**

(m) **Develop, at all levels, more and better partnerships between Governments, multilateral institutions, the private sector and civil society, with special focus on resource mobilization and technology transfer. Recognize and promote the special role played by NGOs in fostering a people-centred policy framework in open and transparent governance systems, building human and institutional capacities and supporting productive sectors and local financial institutions;**

(n) **Consider establishing mutual accountability mechanism between least developed countries and their development partners, in order to ensure the timely implementation of the commitments made in the Brussels Programme of Action.**

Notes

[1] The Programme of Action for the Least Developed Countries for the Decade 2001-2010 was adopted at the Third United Nations Conference on the Least Developed Countries, held in Brussels in May 2001.

[2] The present report is specifically focused on the issue of resource mobilization, which is the theme of the High-Level segment of the 2004 substantive session of the Economic and Social Council. An addendum to this report covering other commitments will be submitted for comprehensive discussions under agenda item 6 (b) "Review and coordination of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010" during the general segment.

[3] See World Bank, "African Development Indicators", 2002.

[4] Beegle, Dehejia and Gatti, "Child Labor, Income Shocks and Access to Credit", World Bank, 2003.

[5] This assumes that all donors fulfil their aid commitment to least developed countries contained in the Brussels Programme of Action of 0.20 per cent of ODA/GNP.

[6] The Least Developed Countries Report 2002: Escaping the Poverty Trap (UNCTAD 2002), 209.

[7] Ibid., 213.

[8] World Bank definition based on gross national income (GNI) per capita less than $735.

[9] World Bank, "Global Development Finance 2003".

[10] World Bank "Informal Fund Transfers in the APEC Region: Initial Findings and a Framework for Future Analysis" (2003), p. 21.

[11] Trade Performance and Commodity Dependence (UNCTAD 2003), 62.

United Nations E/2004/55

Economic and Social Council

Distr.: General
29 April 2004

Original: English

Substantive session of 2004
New York, 28 June-23 July 2004
Item 7 (h) of the provisional agenda*
Coordination, programme and other questions: tobacco or health

Ad Hoc Inter-Agency Task Force on Tobacco Control

Report of the Secretary-General

Summary

The present report responds to Economic and Social Council decision 2002/242, in accordance with which the Secretary-General would report to the Council at its substantive session of 2004 on progress made by the Ad Hoc Inter-Agency Task Force on Tobacco Control in the implementation of multisectoral collaboration on tobacco or health. First and second reports were submitted at the substantive sessions of 2000 and 2002.

* E/2004/100.

04-33139 (E) 260504

I. Introduction

1. Tobacco consumption is classified as one of the 10 leading risk factors on a global basis that account for more than one third of all deaths worldwide. Tobacco use was the second major cause of death in the world in 2000. Tobacco kills about 5 million persons every year and this figure is expected to double in 20 years. There are currently 1.3 billion smokers in the world and this number will increase to 1.7 billion by 2025 if no action is taken to curb the prevalence.

2. Tobacco use affects development and is closely linked with poverty. Poor men tend to be the most likely to smoke. Tobacco consumption increases the incidence of serious diseases, which impose a heavy financial burden on those persons who seek treatment and cannot work as a result of their illness. It also entails heavy opportunity costs to poor households, which spend a significant amount of their resources to feed their addiction instead of spending this money on other essential goods such as food, education or health care. Tobacco growing undermines the wealth of farmers too, who are often heavily indebted towards the tobacco industry and whose returns from growing the crop have fallen sharply in recent years. Tobacco growing also entails health hazards from heavy use of strong pesticides and close contact with nicotine present in the tobacco leaves. In addition to its impact on poverty, tobacco also harms the environment through deforestation to provide land and firewood for curing tobacco, as well as pesticide run-off and tobacco plants leaching nutrients from the soil.

3. Based on the above facts, reducing tobacco use would help achieve the Millennium Development Goals of reducing poverty, disease, hunger and environmental degradation. Tobacco consumption is also linked to gender-related development issues. Incorporating tobacco control into development assistance programmes aimed at the attainment of the Millennium Development Goals could provide important improvements in poverty, malnutrition and the environment.

4. The World Health Organization (WHO) Framework Convention on Tobacco Control, which was unanimously adopted by the 192 Member States of WHO during the World Health Assembly of May 2003, is the first public health treaty developed under the auspices of the Organization. Now that the Framework Convention has been adopted, the implementation of the comprehensive tobacco control provisions contained in the treaty at the country level is a priority. The expertise of each of the member agencies of the Task Force will be very useful to help build, where needed, the technical capacity for countries to support and strengthen national tobacco control programmes.

5. The Task Force members highlighted five areas of concern in which tobacco use has a significant adverse impact and which will need to be thoroughly addressed by Governments, intergovernmental agencies and non-governmental organizations while working on the implementation of national tobacco control measures. These areas are the impact of tobacco on health, economic growth, poverty, its fiscal impact and finally, the impact of globalization on tobacco use at the country level.

II. Origins of the Ad Hoc Inter-Agency Task Force on Tobacco Control and update on its mechanisms

6. The Economic and Social Council, in its resolution 1993/79 of 30 July 1993, requested the Secretary-General to establish, under the auspices of WHO and within existing resources, a focal point among existing institutions of the United Nations system on the subject of multisectoral collaboration on the economic and social aspects of tobacco production and consumption, taking into particular account the serious health consequences of tobacco use. The United Nations Conference on Trade and Development (UNCTAD) was given this responsibility. Between 1993 and 1998 the focal point submitted three reports to the Secretary-General at the substantive sessions of 1994, 1995 and 1997 of the Council (E/1994/83, E/1995/67 and Add.1, and E/1997/62).

7. In 1998, the Secretary-General agreed to the designation of an Ad Hoc Inter-Agency Task Force on Tobacco Control under the leadership of WHO, replacing the focal point arrangement located at UNCTAD. This decision was taken in order to intensify a joint United Nations response and to galvanize global support for tobacco control. The establishment of this new Task Force was endorsed by the Organizational Committee of the Administrative Committee on Coordination, at part II of its first regular session of 1999, held at Geneva on 12 and 13 April 1999 (see ACC/1999/2, sect. VII).

8. In line with resolution 1999/56 adopted by the Economic and Social Council at its substantive session of July 1999 and in which the Council endorsed the establishment of a United Nations Ad Hoc Inter-Agency Task Force under WHO leadership, the Secretary-General reported to the Council at its substantive session of July 2000 (E/2000/21) on progress made by the Task Force in the implementation of multisectoral collaboration on tobacco or health, with particular emphasis on the development of appropriate strategies to address the social and economic implications of the impact of tobacco or health initiatives. The first Task Force report by the Secretary-General was prepared subsequent to the first two sessions of the Task Force.

9. The present third report responds to Council decision 2002/242, whereby the Secretary-General was requested to submit a report on the continuing work of the Task Force at the substantive session of July 2004.

10. The first session of the Task Force was convened at the United Nations Children's Fund (UNICEF), New York, 29 and 30 September 1999. Thirteen United Nations organizations, the World Bank and the International Monetary Fund (IMF) attended the first session. The objectives of the first session were to outline current and future actions by the members of the Administrative Committee on Coordination in respect of tobacco in general and to develop an operational approach that would ensure that one United Nations voice was heard throughout the framework convention process.

11. The second session of the Task Force was convened at the Food and Agriculture Organization of the United Nations (FAO) headquarters in Rome on 7 March 2000. Ten United Nations organizations, the World Bank and the World Trade Organization participated in the session. The principal objective of the second session was to consider specific strategies and projects for strengthening and extending inter-agency collaboration among the Task Force member organizations.

12. The third session of the Task Force was organized in a global videoconference format on 8 December 2000. Eight United Nations organizations, as well as the World Bank and the World Trade Organization were linked together during the videoconference session. The session provided an update on the work of each agency related to tobacco and updated members on the discussions of the substantive session in July 2000. The members of the Task Force also focused on developing a work plan for inter-agency cooperation for 2001 and discussed technical cooperation in support of the Framework Convention on Tobacco Control.

13. The fourth session of the Task Force was held in Kobe, Japan, on 5 December 2001. Seven United Nations organizations, as well as the World Bank and the World Customs Organization, participated in the session. The fourth session focused on the drafting of the second report of the Secretary-General presented at the substantive session of the Economic and Social Council in July 2002, as well as on an update that was given on the smoke-free policies in the United Nations system. The members of the Task Force also discussed the International Meeting on Economic, Social and Health Issues in Tobacco Control, held in Kobe on the two days preceding the fourth session. At that meeting, international experts reviewed ongoing United Nations work in the area of international tobacco control and explored the economic transition issues relevant to the technical mandates and ongoing work of the members of the Task Force, in particular WHO, FAO, the International Labour Office (ILO) and the World Bank.

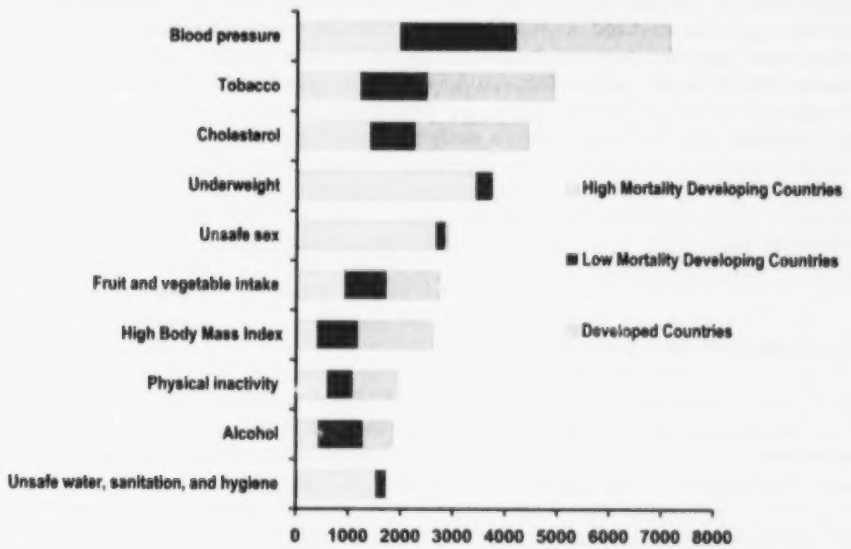
14. The fifth session of the Task Force was held on 21 and 22 October 2003, at the World Bank Headquarters in Washington, D.C. Eight United Nations organizations were present, as well as the World Bank and the International Monetary Fund (IMF). Task Force members discussed in depth the new orientation of the Task Force and the activities that it should focus upon now that the WHO Framework Convention on Tobacco Control has been adopted.

III. Tobacco use: the multifaceted aspect of the problem

A. Health

15. An extended research project reported on in the *World Health Report 2002*, compiled major global risk factors, their impact on health and ways to reduce them in order to promote a healthy lifestyle. "Risk" was defined as the "probability of an adverse outcome, or a factor that raises this probability". Tobacco consumption was reported to be among the ten leading risk factors, globally speaking, which account for more than one third of all deaths worldwide (see figure 1). Tobacco consumption causes about 5 million deaths a year. In terms of ranking, tobacco proved to be the second major cause of death in the world in 2000. In developed countries it was the second most important cause of death, while in high-mortality developing countries it was ranked 6 and in low-mortality developing countries[1] tobacco was the second most important cause of death. In terms of risk factors for the burden of disease,[2] tobacco consumption represented the fourth highest risk at the global level. It was ranked first in developed countries, ninth in high-mortality developing countries and third in low-mortality developing countries. All these figures show clearly that tobacco consumption no longer only represents a serious health threat in developed countries but has also become a serious threat in developing countries.

Figure 1
World deaths in 2000 attributable to selected leading risk factors
Number of deaths ('000)



16. This threat is not likely to go away in the near future as global tobacco consumption has been increasing in recent decades, and a continued upward trend is expected in the next two decades. The WHO publication *Past, Current and Future Trends in Tobacco Use* estimated the actual and future consumption of tobacco at the global level and by regions. Results showed that the number of smokers in the world, estimated at 1.3 billion today (2003), is expected to rise to more than 1.7 billion by 2025 (assuming a 2 per cent increase in income and a medium population variant from the United Nations Population Division's projections) if the global prevalence of tobacco use remains unchanged. Even assuming a decrease of overall prevalence at an annual rate of 1 per cent, the number of tobacco users would still be expected to increase to 1.46 billion by 2025. This means that the economy based on tobacco production will be intact in the short to medium term. Consequently, stronger tobacco control interventions at the country level are needed, in particular in developing countries, which are becoming more and more exposed to this health threat.

17. FAO just published two studies: *Projections of Tobacco Production, Consumption and Trade to the Year 2010* and *Issues in the Global Tobacco Economy: Selected case studies*. The major conclusions in the projections paper are that global production and consumption will increase, but there will be a shift from developed countries to developing countries. In developed countries, assuming continuation of present policies and trends, tobacco leaf production will decline to below one million tons in 2010 compared to 1.2 million tons in 2000. Meanwhile, in developing countries, it is projected that tobacco leaf production will increase from close to 5 million tons in 2000 to about 6 million tons in 2010. Similar trends will be

found for consumption. Assuming no changes in tobacco control policies or in tariff and non-tariff barriers, developing countries are expected to become net exporters, while developed countries will become net importers of tobacco leaf. These results show that the fear that tobacco farmers will lose their jobs in developing countries is not an issue for the time being. The results also lead to the pressing conclusion that developing countries need to have stronger tobacco control policies to protect populations from the growing danger this product poses now and in the coming decades. *Issues in the Global Tobacco Economy* provides for a number of selected developing countries a review of tobacco production in order to better understand the economic contribution of tobacco production and the likely impact that tobacco control might have on producing and exporting countries. The study also reviews the capacity of the agricultural and other sectors to absorb labour and other resources displaced from agriculture and on the returns which can be realized in those alternative enterprises. The countries included in the study are Brazil, China, India, Malawi, Turkey and Zimbabwe.

B. Development and poverty

18. The Commission on Macroeconomics and Health was established in 2000 by the Director-General of WHO to assess the place of health in global economic development. The Commission included some of the world's leading economists and policy makers from academia, Governments and international agencies. The Commission highlighted the importance of investing in health to promote economic development and poverty reduction, in particular in low-income countries. The Commission recognized the double burden of disease — communicable diseases and non-communicable diseases are of great significance for all developing countries — and recognized tobacco as a major risk factor. The Commission released a report in 2001 and commissioned a number of papers, including a study of the impacts of trade liberalization of tobacco consumption. The Commission held a second consultation in October 2003, where discussions focused on issues related to improving the effectiveness of health delivery systems and increasing domestic and external resources to health.

19. The European Commission (EC) has specifically recognized tobacco as a development issue. The Commission held a high-level round table on "Tobacco Control and Development Policy" at Brussels on 3 and 4 February 2003. A document prepared for the meeting stated that tobacco use is increasing in many developing countries, causing an increasing death toll owing to tobacco-related illnesses. This poses a very heavy burden on developing countries, which are already struggling with the health impact of communicable diseases such as HIV/AIDS, tuberculosis and malaria. Tobacco production and consumption help to increase poverty and undermine sustainable development. Based on these arguments, the Commission confirmed during the meeting its willingness to support developing countries wishing to address tobacco control, using existing instruments of development cooperation at the country level.

20. In collaboration with the Organization for Economic Cooperation and Development (OECD) and WHO, the Development and Assistance Committee published a report in 2003 on Poverty and Health in its Guidelines and Reference Series. The report recognized that non-communicable diseases have a marked impact on the health of poor populations and that tobacco-related diseases are

strongly related to poverty. Habitual tobacco use is projected to cause an estimated 7 million deaths annually from tobacco-related diseases by 2030 in developing countries, 50 per cent of them in Asia. Tobacco has a profound effect on poverty and malnutrition in low-income countries, particularly when expenditures on tobacco products divert scarce resources that poor families might have spent on food instead. The high prevalence of tobacco use among men with low incomes and low education has serious poverty implications, because the risk of developing dangerous diseases and dying at an early age is substantially increased. In order to counter the ill effects of tobacco use, especially among the poor and in low-income countries, development agencies should use policy dialogue and technical and financial cooperation to support policy change.

21. Tobacco consumption is a major direct contributor to increasing non-communicable diseases and an associative contributor to communicable diseases such as tuberculosis. Poverty facilitates the spread of diseases and their treatment can impose a heavy financial burden on poor households. Tobacco entails heavy opportunity costs for poor households in which addicted tobacco users spend a significant amount of household resources on tobacco consumption. In developing countries, among poor families, the proportion of household expenditures used to purchase tobacco products can easily represent up to 10 per cent of total household expenditures. This means that these families have less money to spend on basic items such as food, education and health care. In addition to its adverse health effects, tobacco use can lead to increased health-care costs and premature death. It also contributes to worsened malnutrition and a higher illiteracy rate if money that could have been used for food and education is spent on tobacco instead. These findings have been highlighted in some country studies. Some facts are highlighted below:

(a) A recent study in Bangladesh showed that over 10.5 million people currently malnourished could have an adequate diet if money spent on tobacco were spent on food instead;

(b) Preliminary results from an ongoing study in 3 provinces of Viet Nam found that, over the course of a year, smokers spent 3.6 times more on tobacco than on education, 2.5 times more for tobacco than clothes, and 1.9 times more for tobacco than for health care;

(c) Some street children and other homeless people in India spend more on tobacco than on food, education or savings;

(d) Poor, rural households in Southwest China spend over 11 per cent of their total expenditures on cigarettes;

(e) Students in Niger spent 40 per cent and manual labourers 25 per cent of their income on cigarettes.

22. Tobacco and poverty create a vicious circle. Tobacco use increases poverty, and tobacco products tend to be more widely used among the poor:

(a) Of the estimated 1.3 billion smokers, 84 per cent live in developing and transitional economy countries;

(b) A study conducted in Chennai (India) in 1997 showed that the highest smoking prevalence rate among men is found among the illiterate population (64 per

cent). This prevalence decreases with more years of schooling, and goes down to less than a third (21 per cent) among those with more than 12 years of schooling;

(c) A study in Poland in 1996 showed that the contribution of smoking to the risk of premature death among males aged 35 to 69 varies by education level; the risk of dying during middle age due to tobacco-related diseases was 5 per cent among people with higher education and nearly double (9 per cent) among persons with only primary and secondary education levels.

23. Tobacco not only undermines the wealth of tobacco consumers but also tobacco producers. In some countries scarce land resources are used for growing tobacco instead of food. Also, in many developing countries small-scale farmers depend heavily on the tobacco industry, which gives them loans for their production, provides technical assistance and sets the price of the crop. This makes it hard for the farmers to have any flexibility in terms of production and possible switching, especially if they become indebted towards the tobacco industry. In addition, tobacco production entails health risks from direct contact with green tobacco leaves, which allows substantial amounts of nicotine to be absorbed through the skin (green tobacco sickness),[3] and from the use of strong pesticides without adequate protective clothing.

24. Tobacco also harms the environment. Degradation of the environment is caused by the tobacco plant leaching nutrients from the soil, pollution from pesticides and fertilizers and deforestation as a result of fire-curing of tobacco and clearing of land to grow it. A recent study that assessed the amount of forest and woodland consumed annually for curing tobacco concluded that nearly 5 per cent of overall deforestation in various tobacco-growing countries was due to tobacco cultivation.

25. Based on the evidence linking tobacco with poverty, the World Health Organization decided on the theme of tobacco and poverty for World No Tobacco Day 2004. The main message this theme will convey is that tobacco increases the poverty of individuals, families and nations. This is in contrast to over-simplistic and widespread arguments that tobacco provides wealth to Governments and growers. The World No Tobacco Day 2004 will be launched in Brazil, a country which is known for its strong involvement in tobacco control, and which places issues related to poverty alleviation high on its agenda.

26. Worldwide, tobacco consumption by males is four times higher than consumption by females. In many developed countries the difference is much narrower, as there are more and more women smoking. However, the upward trend in women's smoking is now becoming an issue in the developing world too. The tobacco industry has already understood it and is heavily targeting women to gain a part of the market that was not available in the past. Tobacco advertising vehicles images for women featuring vitality, slimness, glamour, emancipation etc. The message for men is different, as advertising focuses on male aspirations for happiness, fitness, wealth, power and sexual success. Tobacco adversely affects the health of all its users but it has also specific health consequences for men and women. Men face a risk of declines in fertility and sexual potency. For female smokers there is an increased risk of cardiovascular disease, in particular while using oral contraceptives, and higher rates of infertility, premature labour, low-birth-weight infants, cervical cancer, early menopause, and bone fractures. Smoking during pregnancy adversely affects fetal development. The new gender behaviour

can also have adverse social and economic consequences. For example, it is known that women often have less disposable income than men and are more likely to spend it on their children. When more women start consuming tobacco at a higher rate, the diversion of scarce family resources to tobacco may significantly contribute to malnutrition and higher rates of school drop-out, with potential long-term negative consequences.

27. The eight Millennium Development Goals constitute an ambitious agenda to improve the human condition significantly by 2015, by reducing poverty, hunger, disease, illiteracy, environmental degradation, and discrimination against women. For each goal a set of targets and indicators has been defined and is being used to track progress in meeting the goals. Based on the facts set out above, tobacco is clearly linked to the Millennium Development Goals, in particular with regard to disease, poverty, hunger and gender issues. Therefore, the Task Force recommends that this deadly nexus is recognized in the context of development assistance programmes aimed at the attainment of the Millennium Development Goals.

IV. The World Health Organization Framework Convention on Tobacco Control

28. In May 2003, the World Health Assembly unanimously adopted the WHO Framework Convention on Tobacco Control. Negotiated among WHO Member States over four years, this international legal instrument is designed to limit the harm to health caused by tobacco products. It comprises many diverse aspects of tobacco control:

(a) The core demand-reduction provisions are contained in articles 6 to 14;

(b) Price and tax measures to reduce the demand of tobacco;

(c) Non-price measures to reduce the demand for tobacco, namely:

- Protection from exposure to tobacco smoke;
- Regulation of the contents of tobacco products;
- Regulation of tobacco products disclosures;
- Packaging and labelling of tobacco products;
- Education, communication, training and public awareness;
- Tobacco advertising, promotion and sponsorship;
- Demand reduction measures concerning tobacco dependence and cessation.

(d) The core supply-reduction provisions are contained in articles 15 to 17:

- Illicit trade in tobacco products;
- Sales to and by minors;
- Provision of support for economically viable alternative activities.

The Convention represents a global minimum standard, and the future Parties to the Convention are encouraged by provisions in the treaty to go further and implement

stricter measures. Furthermore, the negotiation of future protocols to the Convention by the Conference of the Parties will result in a treaty regime that will continue to evolve and provide for more specific obligations on certain topics. The Framework Convention is a delicately balanced evidence-based instrument adopted after vigorous negotiations, which took into account relevant scientific, economic, social and political considerations.

29. The Framework Convention was adopted by the World Health Assembly on 21 May 2003. The Convention was opened for signature from 16 June to 22 June 2003 at WHO headquarters in Geneva, and it remains open for signature at United Nations Headquarters in New York from 30 June 2003 to 29 June 2004. Countries that sign the treaty by 29 June 2004 will become parties to the Convention by ratifying, approving, accepting or formally confirming the treaty. Starting on 30 June 2004, the Treaty will be available for accession. The Convention will come into force 90 days after 40 instruments of ratification, approval, acceptance, formal confirmation or accession have been deposited with the United Nations depository. At that time, countries that have ratified, approved, accepted or acceded to the treaty will be legally bound by its provisions. As in the negotiation of the Convention, tobacco-control advocates in health professions, concerned non-governmental organizations and grass-roots groups have an important role on the international stage during the ratification process. They can continue to promote the ratification and implementation of the Convention and the introduction of effective national legislation in support of the Convention. As of 21 April 2004, 103 Member States plus the European Community had already signed and 10 Member States had ratified the treaty.

30. Now that the Framework Convention has been adopted, the implementation of comprehensive tobacco-control policies at the country level, as stipulated in the treaty, is a priority. Few countries have implemented the measures needed to create a significant decline in tobacco use. The expertise of each of the member agencies of the Task Force will be needed to build, where needed, the technical capacity for countries to support and strengthen national tobacco control programmes. The Convention is a very good example of an instrument that can be used as a baseline for the effective implementation of a national tobacco-control policy. In addition, with the adoption of the Convention, the definition of a comprehensive tobacco-control strategy has now been redefined to include the transnational components of tobacco control, complementing national and local measures.

31. The Framework Convention is a multisectoral treaty. The role of the United Nations agencies is recognized as important in the Convention. The preamble commends the "leadership of the World Health Organization as well as the efforts of other organizations and bodies of the United Nations system and other international and regional intergovernmental organizations in developing measures on tobacco control". The preamble recalls "Article 12 of the International Covenant on Economic, Social and Cultural Rights, adopted by the United Nations General Assembly on 16 December 1966, which states that it is the right of everyone to the enjoyment of the highest attainable standard of physical and mental health". It also recalls that the "Convention on the Elimination of All Forms of Discrimination against Women, adopted by the United Nations General Assembly on 18 December 1979, provides that States Parties to that Convention shall take appropriate measures to eliminate discrimination against women in the field of health care". The preamble of the Convention recalls further "that the Convention on the Rights of the Child,

adopted by the United Nations General Assembly on 20 November 1989, provides that States Parties to that Convention recognize the right of the child to the enjoyment of the highest attainable standard of health". Under the general obligations, Article 5, paragraph 5, states that "The Parties shall cooperate, as appropriate, with competent international and regional intergovernmental organizations and other bodies to achieve the objectives of the Convention and the protocols to which they are Parties".

32. In response to the global public health threat posed by tobacco use, WHO Member States exercised their treaty-making powers, under article 19 of the WHO Constitution,[4] to initiate accelerated multilateral negotiations on a WHO Framework Convention on Tobacco Control and possible related protocols. The Framework Convention is the first public health treaty negotiated under the auspices of the World Health Organization. As stated in article 3, "The objective of this Convention and its protocols is to protect present and future generations from the devastating health, social, environmental and economic consequences of tobacco consumption and exposure to tobacco smoke by providing a framework for tobacco control measures to be implemented by the Parties at the national, regional and international levels in order to reduce continually and substantially the prevalence of tobacco use and exposure to tobacco smoke". The Framework Convention represents a powerful public health tool to reduce in the future the burden of disease and mortality attributed to tobacco.

33. In relation to article 24 on the secretariat, WHO has been designated by Member States as the interim secretariat of this public health treaty. In reaching the goals of the Convention, technical cooperation between WHO and other international organizations, as highlighted below, will be beneficial:

(a) Food and Agriculture Organization of the United Nations (FAO): In the preamble, the Parties to the Convention are mindful of "the social and economic difficulties that tobacco control programmes may engender in the medium and long term in some developing countries and countries with economies in transition". Also the need of those countries "for technical and financial assistance in the context of nationally developed strategies for sustainable development" is recognized. Article 17 on the provision of support for economically viable alternative activities states that: "Parties shall, in cooperation with each other and with competent international and regional intergovernmental organizations, promote, as appropriate, economically viable alternatives for tobacco workers, growers and, as the case may be, individual sellers." And in article 22 on cooperation in the scientific, technical, and legal fields and provision of related expertise, paragraph 1 (b) (iii) stresses the need to assist, "as appropriate, tobacco growers in shifting agricultural production to alternative crops in an economically viable manner." Provisions of technical assistance would benefit from the input of different specialized organizations, in particular, FAO. For example, the recent FAO study *Issues in the Global Tobacco Economy* provides a review of tobacco production and the potential for diversification to alternative crops in a number of selected developing countries;

(b) International Labour Organization (ILO): Technical collaboration between WHO and ILO would be beneficial with regard to article 17 on the provision of support for economically viable alternative activities, and article 22 on cooperation in the scientific, technical, and legal fields and provision of related expertise, in particular paragraph 1 (b) (iii), which states that Parties shall cooperate

to promote plans and programmes aimed at "assisting, as appropriate, tobacco workers in the development of appropriate economically and legally viable alternative livelihoods in an economically viable manner." In article 8 on protection from exposure to tobacco smoke, paragraph 2 states that "Each Party shall adopt and implement in areas of existing national jurisdiction as determined by national law and actively promote at other jurisdictional levels the adoption and implementation of effective legislative, executive, administrative and/or other measures, providing for protection from exposure to tobacco smoke in indoor workplaces, public transport, indoor public places and, as appropriate, other public places." The International Labour Organization, with its history of guiding governments, employers and workers in all matters related to the world of work through its legal instruments, research on social and labour questions in the tobacco sector, and technical cooperation programmes, is in a unique position to promote workplace action, particularly through social dialogue. Specifically, there are two means of action that ILO is using to address the protection of workers against the dangers of exposure to tobacco smoke. The first is a report entitled "Workplace Smoking Working Paper: A Review of Practical and Regulatory Measures", which will be available on the ILO web site.[5] The second is the ILO educational programme entitled "Addressing Psychosocial Problems at Work". The programme, known as SOLVE,[6] addresses workplace exposure to tobacco smoke at the workplace policy and action levels;

(c) United Nations Children's Fund (UNICEF): As mentioned above, the preamble of the Convention explicitly shows the concern of member States about the escalation in smoking and other forms of tobacco consumption by children and adolescents worldwide, particularly smoking at increasingly early ages. It would be useful to link the implementation of appropriate health provisions in the Convention on the Rights of the Child with Article 16 on sales to and by minors of the Framework Convention because tobacco is incorporated in the State reporting guidelines for the Convention on the Rights of the Child;

(d) United Nations Development Programme (UNDP): In the preamble of the Framework Convention, Parties to the Convention state they are "*seriously concerned* about the increase in the worldwide consumption and production of cigarettes and other tobacco products, particularly in developing countries, as well as about the burden this places on families, on the poor, and on national health systems". Tobacco use has a profound effect on poverty and malnutrition in low-income developing countries. In light of the Millennium Development Goals, input from UNDP at the country level to reduce tobacco use and the burden it can have on the poor can move forward the struggle against poverty;

(e) United Nations Educational, Scientific and Cultural Organization (UNESCO): Article 12 of the Framework Convention, entitled "*Education, communication, training and public awareness*" clearly states that: "Each Party shall promote and strengthen public awareness of tobacco control issues, using all available communication tools, as appropriate. Towards this end, each Party shall adopt and implement effective legislative, executive, administrative or other measures to promote: broad access to effective and comprehensive educational and public awareness programmes on the health risks including the addictive characteristics of tobacco consumption and exposure to tobacco smoke ...". Close collaboration between WHO and UNESCO at the country level would facilitate and speed access to relevant educational and public awareness programmes;

(f) United Nations Environment Programme (UNEP): Article 18 on the protection of the environment and the health of persons states: "In carrying out their obligations under this Convention, the Parties agree to have due regard to the protection of the environment and the health of persons in relation to the environment in respect of tobacco cultivation and manufacture within their respective territories." With the collaboration between WHO and UNEP, the promotion of environmentally friendly tobacco production and manufacturing process could be enhanced at the country level;

(g) United Nations Population Fund (UNFPA): In the preamble Parties to the Framework Convention acknowledge "that there is clear scientific evidence that prenatal exposure to tobacco smoke causes adverse health and developmental conditions for children". This is a direct area of concern for the United Nations Population Fund which supports programmes that help women, men and young people and improve reproductive health;

(h) The World Bank and the International Monetary Fund: In line with article 6 Price on price and tax measures to reduce the demand for tobacco there is an explicit recognition of the importance of tax and price increases for reduction of tobacco use which states that: "Without prejudice to the sovereign right of the Parties to determine and establish their taxation policies, each Party should take account of its national health objectives concerning tobacco control and adopt or maintain, as appropriate, measures which may include: (a) implementing tax policies and, where appropriate, price policies, on tobacco products so as to contribute to the health objectives aimed at reducing tobacco consumption ...". As countries ratify and prepare to comply with the Framework Convention, it will be useful for WHO to call on the economic expertise and the mandate of the World Bank and the International Monetary Fund as key collaborators in helping countries to establish and implement effective evidence based policies to reduce tobacco use. A key example would be collaboration in operational work, by participating in policy dialogue with developing country Governments, especially with Ministries of Finance, with respect to tobacco taxation;

(i) World Customs Organization: The Framework Convention includes a detailed provision on illicit trade in tobacco products (article 15), which incorporates provisions on tracking and traceability of tobacco products. The World Customs Organization is WHO's main partner for technical collaboration in this area;

(j) World Trade Organization (WTO): The Framework Convention's provisions intersect with a number of WTO agreements, including the Agreement on Technical Barriers to Trade (TBT); the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS); the General Agreement on Tariffs and Trade 1994 (GATT); the Agreement on Agriculture; the General Agreement on Trade in Services (GATS) and the Agreement on Subsidies and Countervailing Measures (SCM). Furthermore, the first preambular paragraph of the Framework Convention states that "The Parties to this Convention, determined to give priority to their right to protect public health ...".

V. Key areas of concern

34. Following the conclusions approved by the Task Force members at the fifth session of the Ad Hoc Inter-Agency Task Force on Tobacco Control and summarizing the issues covered in the present report, this section highlights the key areas in which tobacco use has a significant adverse impact. These points support the argument that tobacco control needs high-level political attention. They also stress the need for strengthening national tobacco control programmes.

Impact on health

Few people now dispute that tobacco use is damaging human health on a global scale. Tobacco is the second major cause of death in the world. It is currently responsible for the death of one in ten adults worldwide (about 5 million deaths each year) and is a major source of disability. Unless available and effective interventions are urgently and widely adopted, this proportion will increase to one in six adults, or the death toll will double in 20 years. It is also important to point out that exposure to "second-hand" tobacco smoke (from cigarettes being smoked by other people) also leads to morbidity and mortality.

Impact on economic growth

Tobacco use undermines economic development. Tobacco-related diseases have an impact on labour productivity. The treatment of such diseases is very expensive for Governments and individuals. Moreover, half of the people killed by tobacco-related diseases die during their active working life, which greatly affects those family members who are dependant on their income. Their deaths also deprive society of their contributions as workers and parents.

Impact on poverty

Tobacco is closely linked with poverty. Many studies have shown that the poorest households tend to spend a relatively high percentage of their total expenditures on tobacco products. The money is often spent at the expense of other essential needs, such as food, education and health care. Tobacco affects the poor more harshly as it contributes to a higher burden of ill-health, health-care costs, premature death, worsened malnutrition and higher illiteracy.

Fiscal impact

With an ageing population (throughout the world), the demand for treatment for tobacco-related diseases may crowd out resources for primary-care health programmes and will increase demand for high-cost medical care. The global trade in tobacco products can also have an impact on the financial sector. There have been some cases of money laundering associated with illicit trade in tobacco and alleged links with terrorism have also been cited.

Globalization

Trade in tobacco products at the global level can be seen as a global "bad". Legitimate tobacco trade has negative repercussions through illicit trade, aggressive marketing and promotion and consequent increasing production and consumption of tobacco products. Regulation of this "bad", taking into account the profoundly

negative impact it produces on health, development and the environment, has to be well defined at the global level.

VI. Conclusions and recommendations

35. **The Members of the Task Force would like to present the following recommendations to the member States of the Economic and Social Council:**

(a) **Tobacco use has an adverse impact on health, poverty, malnutrition, education and environment. Consequently, tobacco control has to be recognized as a key component of efforts to reduce poverty, improve development and progress towards the Millennium Development Goals. Tobacco control needs to be included in the programmes of countries working on achieving the Millennium Development Goals. Tobacco control also needs to be a key component of development assistance programmes in general;**

(b) **Now that the WHO Framework Convention on Tobacco Control has been adopted, the issue of tobacco control has to be taken into consideration at the Resident Coordinator system level to ensure technical cooperation at the country level as countries implement the treaty in the future;**

(c) **As noted in section III of this report, the Framework Convention is the first public health treaty developed under the auspices of the World Health Organization. In addition to the public health aspect of the Framework Convention, many of its provisions overlap with the technical interests of other agencies of the United Nations and non-United Nations agencies. Some of these agencies have been more involved than others in the promotion of tobacco control. The problems tobacco use entails need to be addressed in a multisectoral approach and the commitment of the different member agencies and others is crucial. In this regard, the United Nations Development Group is a key group in bringing together United Nations entities dealing with operational issues for development. The issue of tobacco control could therefore be included in forthcoming activities of the Development Group in order to facilitate the implementation of the Framework Convention through enhanced collaboration of multisectoral intergovernmental agencies at country level. WHO, as the interim secretariat for the Framework Convention and the Chair of the United Nations Ad Hoc Inter-Agency Task Force on Tobacco Control is well-placed to spearhead such multisectoral cooperation;**

(d) **Given the multiplicity of problems it addresses, tobacco control could also be included in the agendas of the regional economic commissions. An example would be the Economic and Social Commission for Asia and the Pacific (ESCAP), which has restructured its work programmes and is now meeting along three key themes: globalization, poverty reduction and emerging social issues; all of these themes are of key importance to tobacco control.**

Notes

[1] For further information regarding the classification of each country: http://www.who.int/whr/2002/en/MembersETC.pdf.

[2] In these numbers, the disability-adjusted life year (DALY) is the unit used for measuring the global burden of disease. It is calculated as the present value of the future years of disability-free life that are lost as the result of the premature deaths or cases of disability occurring in a particular year.

[3] Common symptoms of green tobacco sickness are nausea, vomiting, weakness, headache and dizziness, and may also include abdominal cramps and difficulty breathing, as well as fluctuation in blood pressure and heart rates.

[4] Article 19 of the WHO Constitution stipulates that "the Health Assembly shall have the authority to adopt conventions or agreements with respect to any matter within the competence of the Organization".

[5] www.ilo.org/safework.

[6] www.ilo.org/safework/solve.

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Annex

List of collaborating organizations

Department of Economic and Social Affairs of the Secretariat

Food and Agriculture Organization of the United Nations (FAO)

International Civil Aviation Organization (ICAO)

International Labour Organization (ILO)

International Monetary Fund (IMF)

United Nations Children's Fund (UNICEF)

United Nations Conference on Trade and Development (UNCTAD)

United Nations Development Fund for Women (UNIFEM)

United Nations Development Programme (UNDP)

United Nations Educational, Scientific and Cultural Organization (UNESCO)

United Nations Environment Programme (UNEP)

United Nations Fund for International Partnerships (UNFIP)

United Nations International Drug Control Programme (UNDCP)

United Nations Population Fund (UNFPA)

World Bank

World Customs Organization (WCO)

World Health Organization (WHO)

World Intellectual Property Organization (WIPO)

World Trade Organization